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Executive Board of the United Nations Children's Fund

Report on the first and second regular sessions, the annual session and the extrabudgetary session of 2003

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Part one

First regular session of 2003

Held at United Nations Headquarters from 13 to 17 January 2003

I. Organization of the session

A. Opening of the session

1. Prior to the election of the officers of the Executive Board for 2003, the Executive Director thanked the outgoing President (Colombia) for his effective leadership and the Bureau for its outstanding work during 2002. On behalf of the United Nations Children's Fund (UNICEF), she presented the outgoing President with the traditional engraved gavel and stand.

Election of officers for 2003

2. Following his election as the new President of the Executive Board, H.E. Ambassador Jenö Staehelin (Switzerland) proceeded with the election of the remaining officers of the Bureau. The Executive Board elected the following Vice-Presidents: H.E. Ambassador Lebohang Moleko (Lesotho); Mr. Salman Al-Farisi (Indonesia); H.E. Ambassador Roman Kirn (Slovenia); and H.E. Ambassador Luis Gallegos Chiriboga (Ecuador).

Statements by the President of the Executive Board and the Executive Director

3. In his opening statement, the President of the Executive Board thanked Board members for their confidence and expressed his great respect and admiration for UNICEF in advancing the well-being of the world's children. He also thanked the outgoing President for his able leadership and welcomed new Board members, observer delegations, representatives of National Committees for UNICEF and the new Secretary of the Board.

4. The President expressed the hope that UNICEF would continue to help strengthen the capacity of developing countries and cooperation at all levels. Following a brief overview of the programme of work for 2003, he addressed the methods of work of the Board, including his intention to make increased use of informal meetings. He emphasized the important role of the Bureau as liaison with the secretariat between sessions, and encouraged the Vice-Presidents to maintain regular contact with their regional groups.

5. In welcoming delegations to the first regular session of the New Year, the Executive Director congratulated the newly elected President and Executive Board officers. She also thanked the outgoing Board officers for their exemplary work in the service of the world's children, paying special tribute to the outgoing President.

6. The Executive Director spoke about the importance of strategic partnerships and how, in the months leading up to the General Assembly Special Session on Children, they energized the global review of progress for children and the overall preparatory process. In line with that effort, she announced the establishment of an Office for Public Partnerships at headquarters, to be led by Mr. Cecilio Adorna. She also introduced two new colleagues in the UNICEF Division of Human Resources – Ms. Martina Clark and Ms. Penelope Curling – whose work would focus on problems stemming from the crisis of HIV/AIDS in the work place, and stress management and trauma

counselling in support of UNICEF staff, respectively. She welcomed the newly appointed head of the Office of the Secretary of the Executive Board, Mr. Ndolamb Ngokwey, who most recently had served as UNICEF Deputy Regional Director in Abidjan.

7. She provided examples of how the affirmation of political will in Kenya and Afghanistan could transform national policies to address the needs and rights of children in the area of education. In conclusion, she acknowledged that UNICEF was fortunate not only in the quality of its staff, but also in the skills and devotion of its Executive Board, all of whom were united by an irresistible force – "the knowledge that together, we can change the world with children, not just for children". (The full text of her statement is contained in document E/ICEF/2003/CRP.1.)

B. Adoption of the agenda

8. The President informed the Board that the Bureau of the United Nations Development Programme (UNDP)/United Nations Population Fund (UNFPA) Executive Board, as well as the UNICEF Executive Board Bureau, had recommended that the joint meeting of the two Boards, originally scheduled for Friday, 17 January, be postponed until the annual session in June. He also suggested that the Executive Board consider the election of the representatives to the World Health Organization (WHO)/UNICEF/UNFPA Coordinating Committee on Health for 2003-2004 at the end of the present session.

9. The Secretary of the Executive Board presented the agenda, timetable and organization of the session, as contained in E/ICEF/2003/2, which was adopted as amended orally to include the changes mentioned in paragraph 8 above. While recognizing the reasons for postponing the joint meeting, one delegation, also on behalf of another delegation, expressed regret about this missed opportunity to discuss the important issues of coordination and collaboration, and asked that such postponements be avoided in the future. He suggested that an item on planning for the joint session be added to the agenda of the second regular session in September.

10. In accordance with rule 50.2 and the annex of the rules of procedure, the Secretary of the Executive Board announced that 51 observer delegations had submitted credentials to the session. In addition, one United Nations body, three specialized agencies, one intergovernmental organization, five National Committees and Palestine had also submitted credentials.

II. Deliberations of the Executive Board

A. Report of the Executive Director (Part I): Annual report to the Economic and Social Council

11. The Director, Office of United Nations Affairs and External Relations, introduced the report of the Executive Director (E/ICEF/2003/4 (Part I)) and a note by the secretariat on recent reports prepared by the Joint Inspection Unit (JIU) that were of specific relevance to UNICEF (E/ICEF/2003/5).

12. Delegations spoke favourably of the report and the work of UNICEF in support of reform and follow-up to the triennial comprehensive policy review. The secretariat took note of the views expressed by delegations with regard to the need for further improvements to the report to the Economic and Social Council and of other specific issues requiring greater attention. The Director also noted the importance of national ownership of country programmes and the role of the Executive Board, saying that UNICEF was addressing these issues through both its country programmes and the United Nations Development Group (UNDG) and the United Nations System Chief Executives Board for Coordination (CEB). He said that the secretariat would report on additional areas raised by delegations on future occasions, including the substantive session of the Economic and Social Council in July 2003, the joint meeting of the Executive Boards of UNICEF, UNDP/UNFPA and the World Food Programme (WFP) in June 2003, and future sessions of the Executive Board.

13. Speakers drew attention to priority areas for increased activity related to the triennial comprehensive policy review of operational activities, including the centrality of capacity-building, analysis of results and benefits of reforms on programme implementation, and the need to address the gender imbalance in the number of resident coordinators. The Common Country Assessment (CCA) and United Nations Development Assistance Framework (UNDAF) received particular attention, with some delegations requesting an evaluation of lessons learned that could inform the second generation of CCAs and UNDAFs.

14. Other areas of specific interest included: coordination of humanitarian activities; cooperation on issues of gender, education (particularly girls' education), health, HIV/AIDS, child protection, follow-up to the Special Session on Children and other international conferences, in the context of the Millennium Development Goals; evaluations of the impact of the reforms on UNICEF country programmes; national execution; and collaboration with other United Nations partners, the Bretton Woods institutions and regional development banks.

15. Addressing the concern raised by a number of delegations regarding the importance of independent evaluations, the secretariat said that the triennial comprehensive policy review called for a number of independent evaluations and that UNICEF was an active participant in the process.

16. The Executive Board took note of the report of the Executive Director and requested the secretariat to transmit it, along with a summary of the comments made during the discussion, to the Economic and Social Council for consideration at its substantive session of 2003 (decision 2003/1). The Board also took note of the report on the activities of JIU of relevance to UNICEF (decision 2003/2).

17. Under the same agenda item, Mr. Kul Gautam, Deputy Executive Director, spoke about follow-up to international conferences, especially the General Assembly Special Session on Children, and introduced a report on the subject (E/ICEF/2003/CRP.3). He stressed the commitment of UNICEF to follow-up to the Millennium Summit and other recent summits, especially the International Conference on Financing for Development, the World Summit on Sustainable Development and the Special Session on Children. The UNICEF medium-term strategic plan (MTSP) defined the organization's role in and contribution to achievement of the goals of the major

international summits and conferences. He added that at least 12 countries had completed national plans of action (NPAs) for children before the Special Session and were updating them, 12 countries had completed NPAs since the Special Session, and at least 40 to 50 countries had follow-up efforts under way.

18. Several delegations welcomed the fact that the outcome document, *A World Fit for Children*, allowed for a variety of approaches to following up the Special Session, including but not limited to, NPAs. It was also said that national Governments should take the lead in determining appropriate methods of follow-up to the Special Session. A number of delegations said that UNICEF should provide policy and statistical advice to developing countries as part of its support for this follow-up, but others said that UNICEF should also continue to provide technical support in such areas as health, nutrition, child protection, education, and water and sanitation. Speakers stressed that growth in regular resources contributions to UNICEF was essential for the organization to continue supporting the achievement of the goals of the major international summits and conferences. The Deputy Executive Director reiterated the importance of adequate financial resources to the achievement of the goals of *A World Fit for Children*. He also called upon all countries to ratify the two Optional Protocols to the Convention on the Rights of the Child.

B. HIV/AIDS and young people: oral report

19. The Chief of the HIV/AIDS Unit and his team presented an oral report on the situation of young people and HIV/AIDS and the response of UNICEF. The Chief focused on the effect of the pandemic on young people. Delegations were told that 12 million young people currently live with HIV/AIDS and that one half of all new infections occur among 15- to 24-year-olds, with girls especially vulnerable to infection. The prevalence of HIV is increasing in all regions, but young people still lack information about the disease and how to protect themselves. However, there are signs of hope. National commitment is critical in reducing HIV prevalence through the promotion of knowledge, skills, services and a supportive environment. Most important is breaking the wall of silence through strong leadership, the involvement of young people, massive increases in funding, and surveillance and monitoring. Members of the team explained why young people were at the centre of the crisis and how they could be part of the solution.

20. All of the speakers addressing this agenda item thanked the presenters, praised the thoroughness of the presentation and expressed appreciation for the topical discussion. The majority of delegations echoed the presenters, stating that HIV/AIDS prevention activities among young people should be a cornerstone of activities of youth HIV/AIDS programming, but that such efforts should be based on a comprehensive approach that respects the continuum of prevention to care and support. Many speakers spoke about the particular vulnerabilities of young people and pronounced that interventions should be reflective of local values and support family- and/or community-based strategies, with particular attention to girls. Some delegations emphasized the importance of youth participation in programme planning and policy development, reproductive health care and services, and sexuality education, as well as the need for the continued strengthening of United Nations and civil society partnerships for national-level planning.

21. Particular concerns raised included: the effects of famine on the already HIV/AIDS ravaged countries of Africa; the need for investing in regions with low prevalence; partnerships for condom distribution; the relationship between female genital mutilation (FGM) and HIV transmission; the availability of anti-retroviral (ARV) drugs for young people; and ensuring that UNICEF staff have the capacity to address culturally sensitive issues surrounding HIV/AIDS.

22. The representative of UNFPA informed that the most important aspects of UNFPA collaboration with UNICEF take place at the country level. UNFPA aimed to provide collaborative and complementary support to HIV/AIDS activities in general as well as to countries to strengthen their programmes in HIV/AIDS prevention for pregnant women and young people. The speaker said that UNFPA was the focal point for the comprehensive condom programme for the United Nations system. The organization also supported a major reproductive health initiative aimed at assessing needs and providing financial support. In conclusion, the speaker said that UNFPA was committed to collaborate with UNICEF and its other United Nations partners in this area.

23. In response to the questions raised, the Chief stated there had been increased political and financial support for youth HIV/AIDS programming. However, a dramatic increase in commitments was needed if UNICEF was to confront the challenges of an epidemic that affected youth disproportionately.

24. Additionally, the HIV/AIDS team said that what needed to be done was known based on science and experience. Programmatic efforts needed to include the provision of information, life skills, health services and social services. There needed to be a comprehensive approach that invested in children from childhood to adulthood. There was not one solution, but rather several ("A" Abstinence; "B" Be Faithful; "C" Condoms for those who were sexually active) that needed to be reflective of local values and support family- and community-based strategies, with particular attention to the vulnerability of girls.

25. The secretariat also referred to its work with its United Nations partners, non-governmental organizations, civil society and young people themselves to address these issues through inter-agency technical groups, compiling lessons learned and developing standards of excellence. It was also noted that UNICEF had hired someone to specifically address the issue of staff capacity in dealing with the sensitive issues surrounding HIV/AIDS programming. While this was a priority for UNICEF, resources would dictate the speed with which the organization would be able to train all staff.

C. Progress report on UNICEF engagement in sector-wide approaches to development

26. The Executive Board had before it a progress report on UNICEF engagement in sector-wide approaches (SWAps) to development (E/ICEF/2003/6), which was introduced by the Chief of the UNICEF Global Policy Section. Most speakers noted the increased engagement of UNICEF in SWAps, with some indicating that they had received positive feedback from their embassies or field offices, although the degree of involvement varied from one country to another. Several delegations commended the focus of UNICEF on specific areas within SWAps, notably: advocacy for children's rights, for reaching the poor and for achieving results; the provision of technical assistance; and

support for cross-sectoral activities and the participation of civil society organizations (CSOs). A number of speakers agreed that the narrow definition of a sector affected CSO participation, and UNICEF was urged to promote their participation in SWAps and to work with other partners on monitoring.

27. Some delegations sought clarification on the UNICEF policy on basket funding and encouraged the organization to participate in this arrangement as a sign of greater commitment to SWAps. One speaker announced his Government's preference for earmarking funds because it ensured both visibility for the donor and better accountability. Another delegation asked why only a few countries had adopted basket funding as their preferred mechanism for channelling funds to SWAps. It was also pointed out that the comparative advantage of UNICEF was in the provision of technical assistance and not in basket funding. The secretariat replied that the UNICEF financial rules permitted UNICEF participation in basket funding, but that SWAps were not synonymous with basket funding. A decision to pool regular resources was considered on a case-by-case basis, assuming that there was value added to UNICEF participation in common pools, that there was sufficient financial accountability and that pooling funds was in the best interest of children. Regarding other resources, UNICEF would have no problem with passing donor funds to a common pool if the donor agreement stipulated that as the purpose and UNICEF was relieved of financial accountability. To date, no donor had requested such an arrangement. In addition, Governments in some developing countries were not inclined to use basket funding because of weak national capacities and the risk of losing donor confidence by adopting certain policies prematurely.

28. Speakers emphasized the importance of government ownership of SWAps. One delegation stressed that SWAps should not constrain the autonomy of Governments, especially in countries where official development assistance (ODA) contributes a major share of the gross domestic product. Another speaker said that SWAp concepts should be adapted to different national situations. A third speaker, representing a country that is implementing SWAps in several sectors, commended UNICEF for its efforts in strengthening national ownership.

29. Some delegations said that that they did not agree with the report's contention that there was tension between SWAps and poverty reduction strategies, and instead saw the former as a building block of the latter. Other speakers suggested that UNICEF determine where to invest its limited resources. The secretariat replied that, in practice, various initiatives competed for attention and, thus, made increasing demands on the human resources of both national Governments and development partners. In a few instances, the macro-policies of poverty reduction strategies had restricted the flow of resources to social sectors. To a question about the relationship between the New Economic Partnership for Africa's Development (NEPAD) and SWAps, the secretariat replied that NEPAD embraced the Millennium Development Goals and poverty reduction strategy principles, both of which were often reflected in SWAps.

30. Several delegations recommended that UNICEF strengthen its capacity to enhance its engagement in SWAps. They asked for information on the organization's plans for capacity development and how it facilitated the exchange of experiences across regions. The secretariat cited several mechanisms that facilitated the exchange of information and experiences among UNICEF

staff, including global consultations of regional staff in the areas of planning, monitoring and evaluation, health, nutrition and education, as well as intraregional consultations, which would be strengthened in the coming years.

31. It was agreed that the issue of UNICEF engagement in SWAps would be included in the Executive Director's annual report from 2004 onwards and that a separate report would be submitted to the Board in 2006.

D. UNICEF financial report and audited financial statements for the biennium ended 31 December 2001 and report of the Board of Auditors

32. The Deputy Executive Director, Ms. Karin Sham Poo, introduced the report (A/57/5/Add.2), drawing the Board's attention to the fact that UNICEF has received an unqualified audit opinion since 1988, which represents the importance the organization places on financial management. She also informed delegations that the Board of Auditors' recommendations contained in the current report were being implemented and, as was usual practice, UNICEF would report formally on the status of these recommendations later in the year.

33. Several comments were made about trust funds. As to why income and expenditure for trust funds were not included in the report, the Deputy Executive Director drew the Board's attention to annex II of the report which contained a definition of trust funds. They are funds accepted by UNICEF mainly to cover the costs of procurement of supplies and services undertaken by the organization on behalf of others and, therefore, not considered to be UNICEF income.

34. Concerning the amount of the funds and their purpose, she drew the Board's attention to paragraph 5 of the financial report which stated the amount received from trust funds, adding that they were related to children's activities, but not directly to programmes of cooperation approved by the Executive Board. She pointed out that statement V of the report showed all financial resources, including trust funds. Additionally, she said that schedule 3 of the report listed the procurement services and other services undertaken by UNICEF on behalf of others. The rules governing trust funds were clearly spelled out in the UNICEF Financial Regulations and Rules. The only change, she said, had been the name. On the recommendation of the Advisory Committee on Administrative and Budgetary Questions, and to be consistent, special accounts were now referred to as trust funds.

35. On the issue of encumbered balances, the Deputy Executive Director explained that most programmes were approved for five years, at the end of which any unspent balances were cancelled and returned to regular resources. The same applied to management and administration and programme support allocations.

36. Several speakers addressed the recommendations of the Board of Auditors which, they felt, gave UNICEF good marks. There were, however, a number of items that needed clarification. One delegation asked how UNICEF managed investments, noting the relative concentration of spending in the last few months. The same speaker, also commenting on the trust funds, expressed the view that the Board required more specific information and that, as a matter of principle, these funds should be

presented as income as suggested by the Board of Auditors and the Advisory Committee. The Deputy Executive Director replied that a detailed schedule had already been prepared and that the secretariat would report on progress at the second regular session in September 2003. On why trust funds could not be presented as income, she made reference to her earlier response (see paragraphs 33 and 34 above). As a footnote, she informed the Board that one United Nations agency had to restate its financial statement because it had included the Oil-for-Food programme as income when, in fact, it was a trust fund.

37. In response to a query about whether contributions receivable prior to 1999 and for 1999 were collectible, and whether the $5 million provision was adequate, the Deputy Executive Director said that donors to UNICEF had a good track record, and she felt that the $5 million provision was realistic. She added that write-offs were infrequent and occurred only after all possible means of recovery had been exhausted.

38. A number of questions and comments relating to specific figures in the financial report were also raised, to which the Deputy Executive Director stated that due to the more detailed nature of the questions, a response would be provided directly to the delegation. The Executive Board took note of the report (decision 2003/3).

E. The UNICEF recovery policy

39. The report on the UNICEF recovery policy (E/ICEF/2003/AB/L.1) was introduced by the Deputy Executive Director, Ms. Karin Sham Poo. Requested by the Executive Board in 1998 for review in 2002 (E/ICEF/1998/6/Rev.1, decision 1998/21), the present report was rescheduled for the present session to enable the Board to also take into account a JIU study on "Support costs related to extrabudgetary activities in organizations of the United Nations system" (JIU/REP/2002/3). Following her introductory remarks, the Comptroller gave a Power Point presentation to further elaborate on the UNICEF funding structure, and the methodology used to propose the revised recovery rate of 12 per cent as well as the incentive sliding scales. She also reviewed the comments of the Advisory Committee on Administrative and Budgetary Questions on the recovery paper (E/ICEF/2003/AB/L.2) and the secretariat's response to them.

40. Delegations expressed appreciation to both the Deputy Executive Director and the Comptroller for their presentations and efforts to further clarify the recommendations. Many delegations reiterated that regular resources should not subsidize other resources. It was felt that the decline in regular resources needed to be addressed, and for the recovery to reflect actual cost, the rate had to be increased. It was also pointed out that the need to increase the recovery rate was not only an accounting issue, but impacted on the overall health of the organization owing to the change in its funding structure over the years. Several delegations also concurred with the need to promote core contributions and said that thematic funding was the next best thing for UNICEF.

41. Several delegations sought further clarifications and expressed reservations about approving the proposed rates. One delegation suggested a fixed rate of 8 per cent, with a 1 per cent surcharge or discount to take into account administrative costs. Some speakers questioned the sliding scale as it

might lead to protracted negotiations. On the other hand, some speakers felt it appropriate to take into account the size, timing of payment and the area of contribution as proposed. Some delegations cautioned that complexity might deter donors, particularly the private sector, and noted the need to ensure transparency and avoid the possibility of private deals.

42. The Comptroller clarified that the rates would be fixed following the clear criteria on the use of thematic funding, the timing of payment and the size of contribution, all of which directly reflected the reduction in the transaction costs of managing other resources. The most important reduction for UNICEF would encourage contributions to thematic funds, with consolidated reporting. This would be for the five MTSP priorities and emergencies, which would meet UNICEF programmatic priorities while reducing transaction costs. The second category of reductions would acknowledge donors who made payments at the beginning of the project. The third category would recognize the size, as larger contributions decreased transaction costs. The Deputy Executive Director agreed with the need to avoid prolonged negotiations, which the proposed clear rates would facilitate. The Director of the Programme Funding Office (PFO) also confirmed that the detailed process would be explained to all offices even though the agreements with donors were signed at headquarters.

43. Two delegations felt there was an impression that donors demanded too much detail. The increased rate might discourage donors and more responsiveness to donors was required. The Director of PFO reiterated that donor demands were not considered problematic, but that a significant move towards thematic programmes would strengthen the UNICEF MTSP goals linked to broader development goals. Such a direction would enable UNICEF to become more involved in the big picture of development work. The secretariat would advocate the need for thematic funding to all donors. Specific reporting would continue, but reflect the increased transaction cost in accordance with the Executive Board stated principle that regular resources should not subsidize other resources.

44. On the concern raised about the use of recovery costs for the support budget, the Deputy Executive Director explained that the support budget was maintained as low as possible, adding that it had remained at the same net level for the past six years. While even the mandatory increases and additional costs of new offices were absorbed through continuous efficiency measures, it would no longer be possible with new increases, including salaries approved by the General Assembly effective 1 January 2003. She also emphasized that UNICEF did not want to reduce the funds available for regular resources programmes.

45. Two delegations requested clarification on the financing and reporting of trust funds. The Deputy Executive Director explained that trust funds were held on behalf of donors and deposited with UNICEF 100 per cent in advance. The surcharge covered the real cost, and only one financial report was provided. As to reporting in the financial statements compared to those of UNDP, she mentioned that the other activities were considered other resources by UNICEF. The Comptroller agreed to follow-up on the UNDP format for more details to be provided in the UNICEF financial statements.

46. Several speakers requested more information on variable support costs at headquarters and wanted to know why the recovery rate was being increase from 3 per cent to 6 per cent. The

Comptroller responded that much of the increased cost for other resources, while being for the field, was supported from headquarters, e.g. the Programme Manager System, while the remainder was due to the difference in the old and new methodology. The new methodology followed the recommendation of JIU.

47. On the question of a possible interim rate, the Deputy Executive Director indicated that the existing system was, as decided by the Board in 1998, an interim solution. Any decision would have an impact only on new agreements, which would take some time for full implementation.

48. Several delegations mentioned that other resources must be fully in line with MTSP priorities, and advocated for a campaign to encourage contributions to thematic funds. The Deputy Executive Director reported that funding on organizational priorities in the MTSP approved by the Executive Board would be around 90 per cent. The Director of PFO also provided some examples of allocation of thematic funding that would be based on greatest needs and impact in the approved country programmes. While the allocation would be based on the MTSP priorities within the context of country programmes, the emergency thematic areas would be based on the Consolidated Appeal Process.

49. A speaker suggested that the discounted rate for early payment go into effect within 90 days rather than 30 days, and questioned whether the increase from the current 5 per cent to the proposed 12 per cent rate was not too high. The Deputy Executive Director clarified that the proposed 30-day allowance was from the date of the signing of the agreement. As to the major increase, she explained that the previous rate was already calculated at 9 per cent, but the deduction of interest income had brought it down to 5 per cent. With the new methodology, the rate was calculated at 12 per cent. Taking into account the recommendation of the Advisory Committee not to use the interest to reduce the recovery rate, it had to remain at 12 per cent if regular resources were not to be used to subsidize other resources as per Executive Board directions.

50. A number of delegations sought clarification on the differing views of JIU and the Advisory Committee on the use of the interest. The Deputy Executive Director explained that the JIU report indicated that organizations might wish to reduce extrabudgetary support costs by using interest rates, without insisting upon it, whereas the Advisory Committee recommended to UNICEF that the interest should go to regular resources. UNICEF agreed with the Advisory Committee recommendation in view of the uncertainty of the interest income. As confirmed in the Comptroller's presentation, the interest rates had indeed decreased from 6 per cent in 1998 to less than 2 per cent currently.

51. On the question of funds raised in programme countries with a 5 per cent cap, the Comptroller clarified that this was for local fund-raising by the Private Sector Division (PSD) and country offices, and not for fund-raising efforts with donors. One delegation asked about the impact of the proposed change on funding by National Committees. The Deputy Executive Director replied that National Committee funding was highly valued, both to regular resources and other resources, with UNICEF continuing to encourage the regular resources share. Since all National Committee funding was paid up front, they would automatically receive the 2 per cent reduction, and an additional 1 per cent when contributions were over $500,000.

52. One delegation advocated for full cost recovery since other resources had grown considerably and were consistently higher than regular resources. This would ensure the principles of universality, impartiality and involvement of programme countries. The Comptroller elaborated that the 1998 rate was also based upon incremental cost recovery following the Executive Board approved policy. While fixed cost recovery might be 21 per cent, it would not be appropriate to recover that amount. The principle remained that fixed costs would be required even if there were no other resources funding.

53. Another speaker raised the concern of small donors who wondered whether they would not be penalized with a higher rate. The Deputy Executive Director explained that size was only one element, and if the other two criteria of up front payment and contributions to thematic funds were met, the rate might not exceed 8 per cent.

54. The importance of harmonization and a common United Nations model was stressed by several delegations. The Comptroller confirmed the ongoing process within UNDG on harmonization. The JIU report required comments from CEB, which was also a work in progress. The impact of extrabudgetary resources was common to all funds and programmes, and it was possible to have a common principle and methodology, even with different rates, to take into account different mandates and cost structures. The Deputy Executive Director also mentioned that JIU had also initially considered unified rates, but after its review recommended the same methodology with different rates because of different operational modalities. As UNICEF was the first organization to submit a recovery policy after the JIU report, its decision was important for the other funds and programmes to note. The Comptroller also added that it would be an additional incentive to adopt harmonized methodology.

55. Some delegations expressed satisfaction with the responses on harmonization and the need to set a precedent for others. Several delegations pointed out that the issue had become very clear on the need for core resources to be used for corporate priorities. If other resources support costs were not recovered, it would undermine UNICEF policy. The proposal came closest to recover the actual costs and no special treatment was proposed for individual donors. The reductions were an actual reflection of transaction costs.

56. The representative of the Standing Group of National Committees expressed concern about the need to understand the competitive environment for donations from the private sector, adding that they should not be treated the same way as those from Governments. He highlighted the need for improved reporting on regular resources and more responsiveness towards donors, suggesting a flat rate for the private sector. He also flagged the lack of consultation with National Committees on the recovery policy.

57. The Comptroller voiced concerns about the conflicting messages from the governing body, and urged the Board not to send the wrong signals to other United Nations organizations and not to delay a decision. The Deputy Executive Director, in her concluding remarks, thanked delegations for their valuable comments while noting contradictions in some comments. She recalled the interim nature of the existing policy, adding that a new policy would be applicable only for new agreements that would take some time to have a full impact. She also emphasized the urgency of reaching a

decision as the recovery rate would impact upon the preparation of the support budget for the next biennium, which would be reviewed by the Advisory Committee in October 2003 for consideration by the Board at an extraordinary session in December 2003.

58. The Executive Director remarked that donors were very important and that the secretariat would do what was required to carry out the UNICEF mandate. Despite some contradictions, she noted a general consensus that regular resources should not subsidize other resources. Other resources were more costly operationally, and while they were appreciated, regular resources were very important for UNICEF. She recognized that the trend was for increased levels of other resources and that UNICEF had to live by it while trying to stabilize the trend. She also emphasized that the recovery policy was not just an accounting issue, but a fundamental issue of UNICEF work in support of children. She concluded by stressing the urgency of the decision to take into account what was best for carrying out country programmes for children.

59. The Executive Board took note of the recovery policy paper and report of the Advisory Committee, and requested the Executive Director to continue consultations with all parties concerned with a view to submitting this issue to the Executive Board for decision at its 2003 annual session in June.

F. Review of the supply function in UNICEF

60. The Executive Board had before it a report on the UNICEF supply function in the context of the MTSP (E/ICEF/2003/7), which was introduced by the Director, Supply Division. Delegations expressed support for the supply function, recognizing its relevance to the implementation of the MTSP and its importance in emergencies.

61. In response to comments that the report could have included more specific details on activities and timelines in addressing challenges facing the supply function, the Director said that specific actions would be evident from organizational work plans. He confirmed that Supply Division was assessed regularly by both internal and external auditors, and that an external evaluation of vaccine procurement had recently taken place within the context of the Global Alliance for Vaccines and Immunization. To another query, he confirmed that UNICEF did not receive tied aid.

62. Delegations urged UNICEF to continue its leadership role in the area of vaccine security together with other partners, including WHO, bilateral development agencies and the vaccine industry. The Executive Director confirmed her and the organization's commitment to this issue. The Director agreed with speakers who encouraged the increased use of vaccine manufacturers in developing countries, saying that Supply Division was increasing its contacts with a number of such manufacturers to motivate their participation in UNICEF tenders. He stressed that UNICEF maintained a close working relationship with WHO in terms of quality assurance of vaccines and agreed to help facilitate the pre-qualification of interested vaccine manufacturers.

63. Speakers expressed support for the increasing role played by UNICEF in the supply of HIV medicines, particularly anti-retroviral drugs, with some saying that UNICEF was in a special position

to support the strengthening of in-country security in the receipt and distribution of these products. Some delegations urged UNICEF to use its advocacy to influence agreements of the World Trade Organization (WTO) on the trade-related aspects of intellectual property rights (TRIPS) that would facilitate access of countries to HIV medicines. The Director replied that Governments had the right to determine how best to ensure access to HIV medicines, but that it would become more engaged in discussions on WTO/TRIPS agreements with partners and the pharmaceutical industry.

64. Several delegations expressed support for the further decentralization of procurement in UNICEF, although they recognized the high level of local procurement already undertaken by the organization. The Director stressed the importance of the regional procurement centres in Ankara and Pretoria, as well as of the work carried out by supply centres in the UNICEF offices in Beijing, New Delhi and Nairobi. He added that in the context of emergency preparedness, UNICEF was also considering the establishment of regional hubs for the stockpiling of essential commodities for immediate deployment to crisis points.

65. Speakers also urged UNICEF to continue to source new suppliers and to facilitate supplier registration procedures. The Director said that UNICEF would continue to seek new suppliers by providing full information through its website and holding seminars to attract and inform new suppliers. He added that Supply Division was working with the other United Nations procurement agencies through the Inter-Agency Procurement Working Group to streamline common standards for supplier registration using the United Nations Common Supplier Database. To support the development of national procurement and supply systems, Supply Division provided informational and technical support, and worked with countries to better determine their long-term supply needs for specific programmes, including increased attention to commodity assessments as part of SWAps and Poverty Reduction Strategy Papers. UNICEF support to specific country institutions, such as central medical stores, varied country to country according to need.

G. Private Sector Division work plan and proposed budget for 2003

66. The Executive Board had before it for review and approval the PSD work plan and proposed budget for 2003 (E/ICEF/2003/AB/L.3), which was introduced by the Director, PSD. He began with a positive comment on a new record year in earnings for PSD based on the provisional input from National Committees, boosted by a one-time unique contribution from the Gaffé Legacy in France. In spite of a not so encouraging economic climate, the performance of PSD for the fiscal year just completed was exceeding both plan and prior year's results. He also noted that in 2003, the Board would begin to observe the benefit of the Division's new strategic direction and its further consolidation in Geneva.

67. The majority of delegations addressing this agenda item expressed appreciation for the Division's compliance with the Board's request to include a comprehensive business plan in the report and found it to be quite informative. Some delegations were pleased to note the accomplishments in fund-raising, particularly the completion of the private sector fund-raising (PSFR) strategy and were looking forward to its roll out. However, the need to continue seeking new opportunities in fund-raising in order to achieve targets was also emphasized.

68. A number of speakers commended PSD for the resulting efficiency in the consolidation in Geneva, particularly the decrease in operating expenses in Marketing. They also noted the impressive work accomplished during 2002 given the short time-frame.

69. One delegation expressed concern about the optimistic latest estimates for card and gift sales. The same delegation also stated that the budgeted expenditures for 2003 were too high compared to 2001 actual, and that the income projected for 2003 were unrealistic. The Director responded that the figures for sales in the work plan and budget were reliable as they were provided by the National Committees and confirmed by them in December 2002. The 2002 actual performance would be summarized and reported to the Board at its second regular session in September 2003.

70. Another speaker noted that the increase of 13 per cent in the projected gross proceeds from the field offices might have been opportunities overlooked in the past, and applauded the Division's efforts to target a younger audience in the card and gift sales business.

71. According to some delegations, the relationship between National Committees and PSD had improved substantially. The PSFR Task Force was a very good example of the ongoing cooperation between the National Committees and PSD.

72. The Executive Board approved the PSD work plan and proposed budget for 2003 (decision 2003/4).

H. Report on the eighth meeting of the UNESCO/UNICEF Joint Committee on Education

73. The Executive Board had before it the report of the eighth meeting of the UNESCO/UNICEF Joint Committee on Education (JCE) (E/ICEF/2003/8). The report was presented by the former Vice-President of the Executive Board, H.E. Mr. Crispin Grey-Johnson, who had attended the meeting on behalf of the President and been elected its chairperson. He said that JCE had reviewed the collaboration between the two agencies in recent years and agreed that it had been strengthened at international, regional and national levels through such mechanisms as UNDAF, poverty reduction strategies and SWAps. Thus, JCE had decided that it had fulfilled its original mandate and should be discontinued, given these new institutional arrangements which ensured UNESCO/UNICEF collaboration. He presented this recommendation for the endorsement of the Executive Board. (The full text of his remarks is contained in document E/ICEF/2003/CRP.4).

74. Delegations commended the work done by JCE since its inception in 1989 and agreed that collaboration between UNESCO and UNICEF was now ensured by the newer mechanisms. The representative of UNESCO agreed, saying that on the assumption that the UNICEF Executive Board would endorse the JCE recommendation, the Director-General of UNESCO would make the same recommendation to his Executive Board at its upcoming session in March 2003. He added that the discontinuation of JCE would by necessity imply greater efforts on both sides to keep the respective Executive Boards informed of the progress achieved and difficulties encountered in the pursuit of collaboration between the two agencies.

75. The Executive Board agreed with the recommendation of JCE that the Committee be discontinued, and requested the UNICEF secretariat to work with the UNESCO secretariat to propose how to strengthen coordination within existing structures (decision 2003/5).

I. Pledging event

76. The Executive Director opened the fourth pledging event by stating that the availability and predictability of regular resources were essential to the organization's capacity to deliver the result-oriented programme envisaged in the MTSP. She expressed appreciation that Governments were recognizing the threat posed to UNICEF activities by stagnating regular resources. She mentioned that for 2002 there was a slight reversal of this trend, with preliminary figures indicating an upturn in regular resources from Governments of approximately 5 per cent compared to 2001.

77. The Executive Director expressed appreciation for the voluntary contributions made to UNICEF regular resources for 2002. She thanked 33 high-income countries, 38 middle-income countries and 17 low-income countries for their support, which was seen as a reflection of their Governments' support and the importance they attached to the work of UNICEF. The Executive Director made special reference to 27 countries that had increased their contributions, in particular, the 19 countries with increases of 7 per cent or more. She further thanked the programme countries for their support, which demonstrated the broad support that UNICEF enjoyed and the burden-sharing that existed among all the partners.

78. Thirty-five delegations made interventions: 18 from high-income countries; 6 from middle-income countries; and 11 from low-income countries. Including the pledges received prior to the pledging event, the secretariat received 62 pledges amounting to $391.8 million. Forty-four countries gave firm pledges and 18 countries gave indicative pledges. A total of 19 countries provided payment schedules and 10 countries gave tentative pledges for future years.

79. Several delegations made reference to the discussions at the fifty-seventh session of the General Assembly on the status of the United Nations Pledging Conference for Development Activities and the decision to postpone a substantive resolution to a later date. Speaking on behalf of several delegations, one delegation expressed regret that the General Assembly had decided to postpone a decision on joint pledging sessions with other United Nations funds and programmes in the context of joint meetings of their Executive Boards. Other delegations expressed views on the importance of adequate resources for operational activities for development of the United Nations system and their willingness to continue the discussion on the modalities of the pledging mechanisms.

80. In closing, the Executive Director expressed gratitude to all the delegations for their statements and their pledges announced during the session, and indicated that the results of the event would be provided at a later date (see E/ICEF/2003/CRP.6).

J. Other matters

81. The representatives of Colombia and the Gambia reported on regional meetings held in their countries to discuss implementation of the MTSP in the Americas and the Caribbean and in West and Central Africa, respectively (see documents E/ICEF/2003/CRP.5 and E/ICEF/CRP.7, respectively). The meetings had focused on MTSP roll out, cooperation between Governments and UNICEF, monitoring and evaluation, and, in the case of the Africa meeting, the relationship with NEPAD. The Executive Director said that the meetings had been very useful for UNICEF and provided useful information on lessons learned.

82. A delegation asked if it would be possible to change the timing of the first and second regular sessions each year by scheduling them somewhat later than mid-January and early September. Because the sessions were scheduled just after holiday periods, delegations did not have sufficient time to prepare for them. The Executive Director replied that the scheduling of the sessions depended upon the workload of the Department of General Assembly and Conference Management, but the secretariat would look into the matter.

83. Another speaker enquired about the following issues:

(a) The status of informal discussions on the Executive Board's working methods, which had begun at the second regular session of 2002, and which he suggested be continued at the annual session in June;

(b) The status of the revised terms of reference for Executive Board field trips, which he said should be discussed by the Board prior to this year's visits;

(c) A request that the secretariat report to the Board on child protection;

(d) A request that the secretariat organize a discussion on UNICEF collaboration with private companies.

84. Another delegation requested that the secretariat organize a briefing on UNICEF involvement with TRIPS, especially in the health sector.

85. The Executive Director said that she would discuss all of these issues with the Bureau at its meeting the next day.

K. Closing of the session

86. The Executive Director thanked the President, other members of the Bureau and the Executive Board for a good session, and said she looked forward to continuing their dialogue during the year.

87. The President said that throughout the week, there had been good discussions of important questions. On the annual report to the Economic and Social Council, speakers saw the need for a systematic approach to United Nations funds and programmes so as to reinforce their effectiveness. The discussion on the recovery policy had shown that it was important to have a dialogue with all partners. The informal presentations on humanitarian affairs and on the situation in Africa had been very rich, and he hoped that these types of issues could be on the formal agendas of upcoming sessions.

Part two
2003 annual session

Held at United Nations Headquarters from 2 to 6 and 9 June 2003

I. Organization of the session

A. Opening of the session

88. The President of the Executive Board remarked that since the January session, he had the opportunity to follow UNICEF activities more closely, with the assistance of the Executive Director and many secretariat colleagues, in particular the Secretary of Executive Board. He was still impressed by the quality of the work and motivation of UNICEF staff. He said that the Bureau had met once a month to review the activities of the secretariat and to prepare for the present session.

89. On his two trips to Latin America, he was able to observe the esteem that UNICEF enjoyed with the local populations for whom it worked as well as from the Governments and administrations of the countries concerned. He also noted the commitment and response of the administration to the challenges in different parts of the world, adding that the role of the Executive Board was to support those efforts by carrying out responsibilities according to its mandate.

90. The President addressed some of the highlights of the session. The Board would be considering, for the first time, 13 country programme documents (CPDs) based on the new harmonized approval procedure. In that connection, he pointed out that the major efforts currently under way in the area of simplifying and harmonizing practices and procedures among the agencies of UNDG (UNICEF, UNDP, UNFPA and WFP) aimed at achieving greater efficiency in the field.

91. In welcoming participants to the session, the Executive Director informed the Board that the Deputy Executive Director, Ms. Karin Sham Poo, was unable to attend the session because of an unfortunate fall, and she knew the Board would join her in wishing the Deputy Executive Director a speedy recovery.

92. The international landscape, she said, was being repeatedly reshaped, with a growing consensus that the world was a more dangerous place, and she provided some clear examples, including UNICEF and donor support for some activities in Iraq. She stressed that the job of ensuring child rights in Africa remained the most formidable mandate of UNICEF.

93. Among the agenda items, she noted the update on the UNICEF recovery policy, which would summarize the generally positive reactions received from regional groups, National Committees for UNICEF and numerous bilateral consultations. She also drew attention to the 13 CPDs, which required Board approval of the aggregate indicative budgets. The Executive Director also noted that the essence of UNICEF and its work with children had been brought into sharper focus as a result of the ongoing branding exercise directed by the Division of Communication. In conclusion, she said that UNICEF remained what its founders intended – "a moral force for children the world over" – with its focus on "the well-being of the whole child". (The full text of her statement is contained in document E/ICEF/2003/CRP.7.)

B. Adoption of the agenda

94. The provisional agenda and proposed timetable and organization of work of the session (E/ICEF/2003/10 and Corr.1) was introduced by the Secretary of the Executive Board. He noted several changes endorsed by the Bureau in the ordering of some of the agenda items, as well as the postponement of the oral report on UNICEF collaboration with the corporate sector until the second regular session in September 2003.

95. One delegation drew the attention of the secretariat to difficulties encountered in getting some of the documents, as well as in the late receipt of the annexes to the Executive Director's annual report (E/ICEF/2003/4 (Part II)). While expressing appreciation for the oral reports, the same speaker requested the secretariat to provide brief summaries of each presentation so that they could be shared with colleagues in capitals to facilitate their preparation for the session.

96. The agenda, as amended orally, was adopted by the Executive Board.

97. In accordance with rule 50.2 and the annex of the rules of procedure, the Secretary of the Executive Board announced that 63 observer delegations had submitted credentials for the session. In addition, 2 United Nations bodies, 1 specialized agency, 4 intergovernmental organizations, 12 National Committees for UNICEF and Palestine had also submitted credentials.

II. Deliberations of the Executive Board

A. Report of the Executive Director (Part II)

98. The Executive Board had before it the annual report of the Executive Director (E/ICEF/2003/4 (Part II)), which was introduced by the Executive Director. Many delegations said that the report was comprehensive, clear and more focused on results than in the past. Support was also expressed for the human rights-based approach that was evident in the report, and for the linkages provided with the Millennium Agenda, *A World Fit for Children* and the Convention on the Rights of the Child. Speakers in general agreed that the five priorities and associated targets of the medium-term strategic plan (MTSP) provided a clearer and more focused framework for UNICEF organizational reporting than in the past.

99. Several speakers cited the strengthened UNICEF performance in the area of child protection, including in conflict situations, but agreed that future improvements were needed, including a stronger emphasis on promoting the rights of children with disabilities and preventing discrimination against them. The "back to school" strategy, the initiative to accelerate efforts in key countries for girls' education, vaccine procurement and security, the linkage of emergencies to rehabilitation and the focus on the family were also commended. At the same time, UNICEF was encouraged to maintain a systematic approach to capacity-building in all five priority areas.

100. It was recognized that the secretariat, as well as many donors, were in the process of gaining experience in the assessment and reporting of results. Speakers hoped for further improvements in the results orientation of the report as the MTSP period progressed, especially in terms of reporting on outcome and impact. Several delegations indicated that the question of the attribution of results was less important than good reporting on achievements themselves. A clear analysis of the partnerships that contribute to specific results was also seen as important, and several speakers noted improvements in the report's discussion of the relationship between the MTSP priorities and development frameworks such as sector-wide approaches (SWAps) and poverty reduction strategies. However, it was said that, in future, the report should provide further analysis of the UNICEF role within partnership frameworks. The Executive Director agreed that UNICEF should continue its efforts to improve reporting on partnerships and impact. She also indicated that UNICEF was now assessing the extent to which poverty reduction strategies were adequately focusing on children.

101. While commending the report's frank analysis of development challenges and of specific weaknesses in UNICEF performance, some delegations urged the secretariat to further strengthen the report's analytical content. A few speakers also suggested that future reports focus more in depth on selected topics, or more explicitly incorporate the results of detailed thematic evaluations. In that context, the five thematic reports on the MTSP priorities, although circulated only shortly before the session, were seen to provide valuable additional information.

102. One speaker questioned the extent of the focus in some sections of the report on UNICEF support to national policy development and advocacy. Other delegations, however, expressed appreciation for the role being played by UNICEF in support of national policies, including in the leveraging of resources for children and at the local government level. The Executive Director stressed that this area of cooperation often involved the inter-country exchange of development experience relating to children, which UNICEF was in a good position to facilitate. Advocacy for the adoption of agreed international standards was also an important role of the organization and consistent with the Secretary-General's approach to the human rights focus of the United Nations.

103. In view of the overwhelming nature of the AIDS crisis, there was substantial discussion on the effectiveness of coordination among the co-sponsors of the Joint United Nations Programme on HIV/AIDS (UNAIDS) and of the United Nations country theme groups on HIV/AIDS. The Executive Director said that while the challenge posed by HIV/AIDS to all development partners and the need for additional resources were still enormous, the work of partners in this area had improved significantly. The pilot projects for the prevention of vertical transmission of HIV had been evaluated recently, and the evaluation findings would provide a basis for scaling up these efforts. UNICEF would also give high priority to supporting the expansion of interventions to benefit orphaned children and would continue to strongly support exclusive breastfeeding.

104. It was agreed that, in future, the report would provide a breakdown of expenditures by regular and other resources on each MTSP priority. Other suggestions included the review of some of the MTSP targets in order to fine-tune them, and the incorporation of selected performance indicators. Some speakers also called for more systematic attention in the report to the question of gender equality. The Executive Director provided examples of promising intersectoral approaches, such as

hygiene, sanitation and HIV prevention education in schools, and of the impact on UNICEF cooperation of the human rights-based approach.

105. In response to questions raised about joint programming, the Executive Director stressed that there have already been promising results from such arrangements (e.g., in working with the World Health Organization (WHO) and others on Immunization "plus"). Much of the value added by these arrangements arose where there was high-quality assessment and programming, with Governments taking the lead, and not always necessarily in terms of pooling of funds. Experience with joint programming was still evolving, and good practices would be identified and shared.

106. A number of delegations noted favourably the increase in UNICEF income in 2002 due not only to a one-time legacy and exchange rate gains, but also to an increase in private sector contributions. The balance between regular and other resources income had improved slightly, and delegations hoped that the trend would be accelerated. The Executive Director stressed that regular resources remained the most desirable option as they strengthened the core capacity of UNICEF to support medium- and long-term needs at the country level. To supplement these resources, thematic funding that did not impose high transaction costs was emerging as the next best option, and the new recovery policy would provide incentives for donors interested in such funding modalities.

107. Asked about the reason for the decline in other resources income from private sector sources for emergencies, the Executive Director stressed that the private sector had been a key contributor to the overall improvement in income in 2002 and that the National Committees were working closely with UNICEF in its drive to meet the MTSP funding targets, which included increased contributions in the regular resources segment of income.

B. Draft country programme documents

Introduction

108. The Director, Programme Division, provided a brief overview of the 13 draft CPDs being presented for review. The CPD format was being introduced for the first time as part of the simplification and harmonization effort involving UNDP, UNFPA, WFP and UNICEF as the four Executive Committee agency members of UNDG. In addition, five of the country programmes (Benin, Ecuador, Kenya, Niger and Pakistan) had been prepared under a process of harmonization and simplification of the approval processes of the Executive Committee of UNDG as initiated in 2002. The UNICEF country programmes were developed on the basis of the Common Country Assessment/United Nations Development Assistance Framework (CCA/UNDAF), which highlighted the Millennium Development Goals as the overall measures of national development and the importance of a human rights-based approach to programming. He added that the UNDAF matrix, which aimed at facilitating better and increased programme impact, would be added to the revised CPDs and posted on the UNICEF Extranet in October 2003. The Director noted that there had been greater participation of other partners and agencies in the preparation process of the draft country programmes of cooperation, as well as greater awareness of areas for programme collaboration and joint programming among the funds and programmes.

Eastern and Southern Africa

109. The Executive Board had before it the draft CPDs for two full-length country programmes, for Kenya and Somalia (E/ICEF/2003/P/L.2 and E/ICEF/2003/P/L.4, respectively), and for two one-year extension programmes, for Angola and Madagascar (E/ICEF/2003/P/L.1 and E/ICEF/2003/P/L.3, respectively), to harmonize with the next programme cycles of United Nations agencies, which were introduced by the Regional Director. He recalled that the region continued to be plagued by drought, deepening poverty and an increasingly devastating HIV/AIDS pandemic.

110. On the draft CPD for **Angola**, the country delegation thanked UNICEF for its outstanding work in his country, noting in particular the successful polio and measles campaigns. Referring to paragraph 3 of the CPD, he explained that war and debt burden had prevented the Government from investing sufficient resources in the social sectors, and that the situation should not prevent donors from responding to the needs of children in Angola. One speaker commended the progress made in the area of routine immunization and United Nations coordination. She raised the issue of transition from humanitarian interventions to development programmes, to which the Regional Director responded that both needed to be implemented simultaneously. In response to a question about birth registration, the Regional Director explained that all children less than 18 years old were targeted. Another delegation stressed the need to address the situation of child soldiers and mine victims. The Regional Director responded that UNICEF had been involved in this issue, and that it would be reflected in the final programme document.

111. One delegation informed that the programme preparation process for the draft **Kenya** CPD was highly participatory, involving all bilateral and multilateral partners, and encouraged UNICEF to continue this good practice. She also suggested that the programme should be less fragmented, should focus on policy support, and should include child protection strategies and activities. Another delegation suggested that integrated early childhood development (IECD) be given the highest priority, with parent education and community participation as important components.

112. Commenting on the draft CPD for **Madagascar**, one speaker said that the programme goals were too ambitious. The Regional Director replied that in the final document, an effort would be made to set goals that were more realistic.

113. On the draft **Somalia** CPD, the country delegation suggested that a disarmament, demobilization and reintegration programme should be considered in view of the high number of children enrolled by militia groups. He also stressed the need for capacity-building of national institutions. The Regional Director responded that capacity-building activities were developed at the community level, which was particularly relevant to the Somalia context. Two speakers expressed their support for the strategy focusing on training a pool of human resources before investing in services. They also commended the inclusion of HIV/AIDS prevention activities while the prevalence was still low.

114. The Executive Board approved the aggregate indicative budgets of the draft CPDs (see annex, decision 2003/6).

West and Central Africa

115. The Executive Board had before it the draft CPDs for Benin, Congo, Niger and Sierra Leone (E/ICEF/2003/P/L.5-E/ICEF/2003/P/L.8, respectively), which were introduced by the Regional Director. She said that the four programmes had been prepared through participatory processes established by the respective Governments, which had included civil society and children. The CPDs emphasized the relationship between the UNICEF country programmes and the UNDAFs, particularly those for Benin and Niger, which were pilot cases for harmonizing the programming processes of the UNDG members.

116. Commenting on the draft CPD for **Benin**, the representative of the country focused on child trafficking and the eradication of female genital mutilation (FGM), saying that the Government had recently adopted additional reinforcement laws which were to be followed by drastic measures to eliminate these child rights violations. Other speakers also commented on child labour and child trafficking, highlighting the need to work with such partners as the International Labour Organization, the European Union and the United States Agency for International Development (USAID). Some delegations noted the strong consultative process during programme preparation and the relationship between the UNDAF and the proposed programme priorities. Asked how the most vulnerable rural population would benefit from the programme interventions, the Regional Director said that as indicated in paragraph 31 of the CPD, the north, which was the most vulnerable region, would be the focus of programme activities, and that UNICEF Benin intended to open a sub-office in Parakou town.

117. On the draft CPD for the **Congo**, speakers suggested that because there were few international partners present in the country, which affected resource mobilization, UNICEF should prepare a strong communication plan and improve reporting activities. The Regional Director said that there was a regional fund-raising strategy to assist countries that were short of funds, and that some positive results had been achieved. Another speaker said that the rights-based approach could be reinforced in the CPD so as to highlight the child protection component of the country programme.

118. Commenting on the draft CPD for **Niger**, a few speakers saw the new partnership with traditional chiefs in the area of education as an innovative strategy, with great potential to increase access and improve the quality of education. It was suggested that the revised CPD make more explicit the linkage between the proposed education programme and the national education sector plan supported by bilateral donors. One speaker said that the proposed country programme clearly had been designed within the UNDAF and wanted to know about the mechanism envisaged for monitoring progress. The Regional Director said that ChildInfo would be used for that purpose. Asked how the new programme would promote the rights of women, the Regional Director said that Niger had ratified the Convention on the Elimination of All Forms of Discrimination against Women last year and that UNICEF would support the Government in its implementation, as it had done in supporting the ratification itself.

119. On the draft **Sierra Leone** CPD, the representative of the country stressed the national ownership of the new programme. He said that because the country was in a transition from conflict to rehabilitation, such vital sectors as health, education and justice, all of which had a direct impact on children's welfare, required attention. Other speakers highlighted the importance of focusing programmatic interventions in child protection through an integrated approach, and also supported the proposed strategy for community capacity-building within the context of the national recovery programme and the poverty reduction strategy. One delegation suggested that the revised CPD mention the regional dimension context.

120. The Executive Board approved the aggregate indicative budgets of the draft CPDs (see annex, decision 2003/6).

The Americas and Caribbean

121. The Executive Board had before it the draft CPD for **Ecuador** (E/ICEF/2003/P/L.9), which was introduced by the Regional Director. Delegations welcomed the rights-based approach of the draft country programme, including UNICEF support for the country's Child and Adolescent Code and child rights "observatory". The Regional Director agreed with the importance of the new Code and the "observatory", and emphasized the challenge of institutional reform for the effective protection of children, especially indigenous and afro-Ecuadorian children. Delegations suggested that the programme also take into account external factors contributing to poverty, such as the negative trade impact of agricultural subsidies in developed countries and migration. The Regional Director acknowledged the importance of external factors, and emphasized the effective measures taken by the former and current Governments to address their effects on children and adolescents. He referred to a 2001 study on migration, which found that the income benefits were often obtained at the cost of family separation, notably of mothers from their children. In response to questions about the extent to which the Government and non-governmental organizations had been involved in preparing the CCA/UNDAF, he said that both the Government and civil society had participated in the process and in drafting the UNICEF country programme, which reflected jointly identified priority areas. In response to a query, the Regional Director said that Ecuador was increasing immunization coverage and that IECD efforts were still at an early stage. The Executive Board approved the aggregate indicative budget of the draft CPD (see annex, decision 2003/6).

East Asia and the Pacific

122. The Executive Board had before it draft CPDs for the Democratic People's Republic of Korea and the Philippines (E/ICEF/2003/P/L.10 and E/ICEF/2003/P/L.11, respectively), which were introduced by the Regional Director. She said that while the bulk of external assistance for the Democratic People's Republic of Korea was humanitarian, more needed to be done in the areas of health and nutrition. Regarding the Philippines, she explained that the draft country programme was a one-year extension of the current programme to harmonize with the programme cycles of UNDP and UNFPA, as well as with the government's medium-term development plan. The next five-year programme would be based on a joint planning process among United Nations agencies, involving a second-generation CCA and UNDAF.

123. The Regional Director also reported briefly on the recent Ministerial Consultation held in Bali as follow-up to the Special Session on Children. The meeting resulted in the "Bali Consensus", which underscored the importance of education, while also focusing on the reduction of child malnutrition and maternal mortality, the growing threats of HIV/AIDS, and trafficking and commercial sexual exploitation of children.

124. Commenting on the draft CPD for the **Democratic People's Republic of Korea**, one speaker expressed strong support for UNICEF efforts in meeting the immediate humanitarian needs of Korean children as well as longer-term survival, growth and development. She noted encouraging improvements in nutrition, but indicated that further efforts were needed. She suggested that more attention should be given to monitoring and evaluation, and that there should be increased focus on women's health, as little progress had been made. The same speaker also expressed the hope that more tangible results would be reflected in future reports. The Regional Director assured the speaker that women's issues were of primary concern to UNICEF, especially in view of the nutrition survey which indicated that one third of women were anaemic. She added that children's nutrition levels were inextricably linked to women's nutrition, education and the care they provided to children, and welcomed a future opportunity to discuss the issue of how women's status impacted directly on the realization of the rights of children.

125. One delegation expressed concern regarding the delivery of humanitarian goods within the country, stressing that humanitarian agencies should be granted free and unhindered access to those in need. The Regional Director assured delegations that UNICEF was monitoring the storage and delivery of supplies in a systematic manner.

126. The country delegation thanked the Regional Director and other speakers who expressed support for the programme, stressing the priority his country gave to children and their rights. He mentioned that the nutritional survey conducted last year revealed improvements in the nutritional situation of children thanks to UNICEF and the international community.

127. Addressing the draft CPD for the **Philippines**, the country delegation attributed improvement in child survival and development to the strengthened capacity of local government units to manage basic services, innovations adopted by the Philippine justice systems to protect abused children, intensified partnerships between the Government and civil society, and successful private sector fund-raising. He noted issues for improving the CPD in the area of child protection, which the Regional Director said would be included in the final CPD. The same speaker also described the recently signed Anti-trafficking in Persons Act of 2003, which aimed at ensuring a safe environment for women and children. The Regional Director commended the Government's systematic way in implementing the Convention on the Rights of the Child.

128. In expressing general satisfaction with the UNICEF programme in the Philippines, including the UNDAF, another delegation encouraged continuation of the organization's strong collaborative relationships with other agencies such as USAID, WHO and the Asian Development Bank. The delegation welcomed the proposed efforts to strengthen monitoring and evaluation, and also urged UNICEF to give increased attention to improved financial reporting, especially on an annual basis.

129. Another delegation commended the focus in the draft CPD on juvenile justice, and encouraged continued efforts in this regard, in collaboration with the Government. He suggested that the country programme should have clearer links among the priorities and activities spelled out in the programme, as well as reference to activities and policy trends of the Government. The Regional Director indicated that this would be clarified in the final document.

130. The Executive Board approved the aggregate indicative budgets of the draft CPDs (see annex, decision 2003/6).

South Asia

131. The Executive Board had before it the draft CPD for **Pakistan** (E/ICEF/2003/P/L.12), which was introduced by the Regional Director. He said that it was one of the five pilot countries in 2003 from which lessons could be learned from the United Nations reform process, specifically in the preparation in the CCA/UNDAF. The programme emphasized the value of partnerships and was anchored to the National Three-Year Plan as well as to the Millennium Development Goals, *A World Fit for Children* and the MTSP targets. It also had important links to the Poverty Reduction Strategy Papers (PRSPs). The Regional Director also highlighted some of salient developments in the region since the last Board session.

132. One delegation requested more details on how the country programme related to the UNDAF, specifically the logical link with the results matrices. The Regional Director recalled that UNICEF had participated in the design of the draft UNDAF, and ensured that the four priority areas of participatory governance, poverty alleviation, health and education constituted the framework of the UNICEF draft country programme. The same delegation acknowledged the comparative advantage of UNICEF in advocating for water resources management at federal and provincial levels, but said that this should be the role of other agencies or perhaps of bilateral donors. The Regional Director stressed the importance of supporting water points and sanitary latrines in primary school to encourage parents to send their children to school, adding that UNICEF was working closely with the United Kingdom Department for International Development, OXFAM and UNDP in this area.

133. Another speaker said that the final document should contain assurances that UNICEF initiatives were institutionalized, with a view to ensuring sustainability. On the issue of ownership and sustainability, along with the importance of scaling up, the Regional Director said that advocacy was a very important tool, and UNICEF would seek to continue to influence policy development, resource allocation and work of a decentralized nature as it interacted with partners at provincial and federal levels.

134. Several delegations praised the pivotal role of UNICEF in coordinating good relationships among donors, United Nations agencies and the Government of Pakistan, and encouraged the organization to continue to foster strong collaborative relationships. One delegation said that the roles between UNICEF and the United Nations Educational, Scientific and Cultural Organization (UNESCO) needed to be clarified. In response, the Executive Director remarked that interaction between the two organizations had been increasing, as shown during the recent high-level consultation

on Education for All for South Asia, organized jointly by UNICEF and UNESCO. On girls' education, one speaker noted that UNICEF had been particularly responsive regarding the development of the new phase of the Balochistan girls' primary school education project. However, it was felt that improvements were needed in monitoring and evaluation. The Regional Director replied that efforts would be made to address the delays in reporting, and that phase II of the project included monitoring and evaluation activities in the funding proposal. Another speaker praised the multisectoral efforts to reduce gender disparities in school enrolment and supported UNICEF efforts to mobilize community support for girls' education through the provision of information and a safe school environment. One delegation expressed the view that well-designed programmes for building family and community capacity, as well as parent education, could indeed improve maternal and child health and alleviate poverty.

135. A speaker wondered how the programme would tie in with government processes as well as with other donor programmes in order to achieve the ambitious targets spelled in the CPD. The country delegation confirmed that the draft country programme had been prepared after due consultations with all national partners, and that its main components reflected and complemented national priorities. He stated that the Government of Pakistan intended to implement the country programme in partnership with NGOs, the private sector, communities and schoolchildren. The Regional Director assured delegations that all comments would be taken into account in the final CPD.

136. In response to a request for details regarding the specific activities in **Sri Lanka** aimed at bringing about the return of child soldiers to school, the Regional Director emphasized the importance for UNICEF, as monitor of the demobilization of child soldiers, to seek modalities to ensure that such children were reintegrated into their communities. In that regard, UNICEF was considering the model of foster parents, and about 3,000 of them would be needed. There was an environment propitious for the integration of these children back into society with the full involvement of the communities.

137. The Executive Board approved the aggregate indicative budget of the draft CPD (see annex, decision 2003/6).

Middle East and North Africa

138. The Executive Board had before it the draft CPD for **Palestinian children and women in Jordan, Lebanon, the Syrian Arab Republic and the Occupied Palestinian Territory** (E/ICEF/2003/P/L.13), which was introduced by the Regional Director. Speakers welcomed the relevance of the proposed programme to Palestinian priorities, especially in the areas of education; psychosocial health; the protection of children against violence; improved access, services and information for the most vulnerable children; and the active participation of adolescents. Several delegations highlighted the need for increased and sustained immunization coverage rates, and improved access to quality health services, early childhood care and education facilities. Some delegations expressed concern about the deterioration of living conditions in the Occupied Palestinian Territory and the restricted movement and access of humanitarian organizations that had hampered the work of UNICEF and other agencies.

139. A number of delegations highlighted the importance of maintaining a proper balance between short-term emergency humanitarian interventions and the longer-term programme support. Others raised questions about the programme's two-year duration, the links between the four distinct programmes, and whether the Palestinian Authority and civil society were able to respond to the programme goals and objectives in such a short period of time. Delegations also requested more up-to-date basic data. The Regional Director replied that the two-year programme would allow UNICEF to adjust to the fast-changing political environment and allow for the preparation of a more normal programme format in the next programme cycle. He added that ensuring a balance between short- and long-term development was a major concern. With regard to national capacities, UNICEF was impressed by the quality of its partners, especially in the areas of education, and by the commitment of the authorities to improve children's rights and relevant legislation. The Palestinian community had done a remarkable job in ensuring school completion and was very actively pursuing school drop-outs.

140. The Executive Board approved the aggregate indicative budget of the draft CPD (see annex, decision 2003/6).

Regional Office for Europe

141. The Regional Director for Europe said that while UNICEF did not have country programmes in industrialized countries, its 37 National Committees performed a wide range of activities, including fund-raising, development education and advocacy. Total income from National Committees had increased dramatically in 2002 to over $460 million, and there were indications that 2003 would be another productive year. The vast majority of this income came from individual donors, and these supporters were a powerful force to influence policies benefiting children globally and within their own countries. In addition to fund-raising, the Committees had launched many initiatives around the themes of the MTSP, often with the support of the Regional Office for Europe. The UNICEF office in Brussels was also playing an increasingly important role in expanding the funding partnership with the European Union.

C. Intercountry programmes

142. The Executive Board had before it a recommendation to increase the other resources ceiling for intercountry programmes for 2002-2003 (E/ICEF/2003/P/L.14), which was introduced by the Director, Programme Division. He said that at its second regular session of 2001, the Executive Board had approved a total of $203 million for other resources funding for intercountry programmes for the 2002-2003 biennium (E/ICEF/2001/P/L.74 and E/ICEF/2001/6, decision 2001/16). To date, $190 million in other resources funding had been received through the intercountry programmes. Based on the anticipated receipt through 2003 of additional other resources funds for intercountry programmes, an increase of $100 million was required in the other resources ceiling, from $203 million to $303 million, for the 2002-2003 biennium. The Executive Board approved the recommendation without comment (see annex, decision 2003/7).

D. Review of the issue of establishment of an operational reserve

143. The Executive Board had before it a report on the issue of establishing an operational reserve (E/ICEF/2003/AB/L.4), as well as the report of the Advisory Committee on Administrative and Budgetary Questions (E/ICEF/2003/AB/L.6), which were introduced by the Comptroller. She said that report had been prepared in response to Executive Board decision 2001/7 in which the Board had decided that UNICEF should continue its current financial management practice based on management of its short-term liquidity requirements on a cash-flow basis and should not establish a funded operational reserve. The Board had also decided to maintain the issue under review and consider it further during 2003.

144. The Comptroller said that under its current policy, established by the Board in 1987, UNICEF must maintain year-end cash balances of regular resources income equal to approximately 10 per cent of the following year's regular resources income. The liquidity requirement was limited to regular resources income because of the self-funding requirement for other resources. Since the Executive Board last discussed the issue of an operational reserve in 2001, UNICEF had exceeded the 10-per-cent liquidity requirement, as it has done since the measure was established. In addition, UNICEF has met the informal liquidity ratio reported in its financial statements.

145. While an operational reserve could provide a short-term response mechanism to address an unforeseen shortfall in receipts and income, as well as afford an opportunity to earn marginally increased interest income through longer-term investments, it created a balance sheet asset at the expense of funding programmes and might engender increased costs if it became necessary to break long-term investment commitments to utilize the funds. The Executive Director, therefore, recommended that UNICEF continue to manage its liquidity in accordance with the liquidity requirement approved by the Executive Board and that it not establish a funded operational reserve. The Executive Board approved the recommendation without comment (see annex, decision 2003/8).

E. The UNICEF recovery policy

146. The Comptroller made a brief introduction to the proposals in the report on the UNICEF recovery policy (E/ICEF/2003/AB/L.5). Delegations expressed appreciation for the extensive consultations organized by the secretariat since the last Executive Board session. They endorsed the principles that other resources should support the MTSP priorities and that regular resources should not subsidize the support costs for other resources. They also encouraged UNICEF to apply procedures that reduce transaction costs for other resources programmes.

147. Delegations addressing this agenda item reiterated the importance of regular resources as the foundation of UNICEF programmes of cooperation, and urged donors to increase contributions to regular resources. Other resources, they stressed, were also important, but as a complement to regular resources, not to replace them. The Board and UNICEF both needed to continue to pursue this policy. The thematic funding mechanism was considered to be second best next to regular resources, and delegations endorsed the incentives for channelling funds to thematic funding. It was also noted that the recovery rate for thematic funding would benefit from economies of scale.

148. Speakers noted the Advisory Committee's non-critical review of the revised proposal and the suggestion for periodic review by the Executive Board, as contained in document E/ICEF/2003/AB/L.6. UNICEF was requested to pursue the harmonization of methodology among the funds and programmes in the UNDG, and to allow that called for the UNICEF recovery rates to be approved as an interim policy.

149. The Director of Programme Division indicated that different donors had different expectations on reporting, which put a heavy burden on UNICEF country offices, national and local authorities, and NGOs, with an impact on transaction costs. He noted that the donor reporting process was also being reviewed in the UNDG working group on harmonization and simplification. He also said that reduced transaction costs would improve the quality of UNICEF reporting on thematic results.

150. One delegation questioned the principle of recovering incremental costs, as other resources had been consistently high, with relative predictability. Except for that purpose, other resources contributions compared with regular resources in terms of predictability, as both types of contributions were voluntary. Pointing out that other resources funding was no longer marginal for UNICEF, he called for a need to move towards full cost recovery as a long-term goal. On the other hand, another delegation mentioned that full cost recovery was untenable, and supported the revised proposal made by the secretariat, which included measures to reduce transaction costs. Most speakers concurred with the need to fully recover marginal or incremental costs of activities funded from other resources, but not the basic fixed costs of UNICEF operations. The Comptroller also reiterated that full cost recovery would not be possible, as UNICEF was an intergovernmental organization, with worldwide coverage from its regular resources.

151. On the subject of earmarked contributions, delegations agreed that donors should make an effort to review their administrative procedures that would reduce transaction costs to UNICEF. Demands from other resources contributors should not put additional strains on regular resources, and these needed to be taken into account in the determination of the recovery rates. Delegations also noted that larger contributions could benefit from economies of scale, and called for a recovery mechanism that was simple, transparent and efficient.

152. While supporting the proposal, a speaker raised the concerns of countries with high per capita donations, but small total contributions. The Comptroller noted that while some of the incentives targeted large donors due to economies of scale, small contributors could take advantage of the reduced rate for thematic contributions.

153. On the subject of rates for other resources contributions from programme countries, the Comptroller commented that UNICEF did not have cost-sharing arrangements in these countries like UNDP. As to the private sector fund-raising in programme countries, she said that UNICEF appreciated the support of Governments, adding that the current rate of 5 per cent would be maintained. While private sector fund-raising was costly to manage, and the rates did not cover the full cost of its management, the subsidization was justified to encourage local fund-raising and the direct funding of country programmes. Several delegations expressed satisfaction with the proposed rates for private sector resources raised in programme countries as well as for the special

consideration given to the National Committees. The representative of the National Committees welcomed the consultation process initiated by the secretariat following the last Board session and noted their support of the rates in the revised proposal. Following further consultations, the Executive Board approved the draft decision on the UNICEF recovery policy (see annex, decision 2003/9).

F. Child protection issues: oral report

154. This oral presentation was made by the Deputy Director, Programme Division, and the Chief, Child Protection Section. They described the magnitude and analysis of the problem, which focused on the numbers of children killed, wounded or disabled; child soldiers, separated children; and the sexual exploitation and abuse of children and women. UNICEF strategies for action in these areas included advocacy, services and capacity-building, and partnerships. In conclusion, they reported on the impact of the protection measures as well as on the challenges.

155. On the subject of child soldiers, the country delegation of the Democratic Republic of the Congo confirmed that her Government had responded favourably to the General Assembly resolution to end the recruitment of child soldiers and was trying to increase efforts in this regard. She urged UNICEF not to overlook the many ways children were affected by war in developing countries, including those impacted by the use of rape as a weapon of war. The Chief, Child Protection Section, acknowledged that the Democratic Republic of the Congo provided a good example for the possibility of the successful demobilization of child soldiers without having to wait for a final peace settlement.

156. Several questions were raised regarding the availability of long-term data documenting the success of the reintegration of child soldiers in Sierra Leone that took place in 1999. Speakers wanted to know whether any specific challenges had been identified. The Senior Adviser, Child Protection, confirmed the importance of follow-up action. He added that a study was being carried out in Sierra Leone, and that more information would be available soon on the long-term reintegration of former child combatants.

157. A speaker felt that UNICEF could do more to stress the impact of psychosocial work in the context of children affected by armed conflict. The Chief replied that UNICEF was working on the development of tools, guidance and assessment in this area, and learning from other programmes and sectors. Given the specific needs of psychosocial programmes, partnerships were extremely important. The challenges, she said, were compounded by a severe lack of resources.

158. One delegation commented that an "Era of Application" and the mainstreaming of child protection issues were essential to ensure progress in the field, and asked about the contribution of UNICEF to the "Era of Application" of international norms and standards for children affected by armed conflict. Another speaker wanted to know how UNICEF envisioned the successful mainstreaming of children affected by armed conflict within the United Nations system at both headquarters and country levels. In that connection, UNICEF was encouraged to raise the issue of child protection in all sectoral programmes, in PRSPs, in CCAs/UNDAFs and in national policies. The Director, Office of Emergency Programmes, responded that UNICEF was actively engaged in the Inter-agency Standing Committee and the Consolidated Appeal Process, both of which were methods

for collaborating with key United Nations agencies around issues of child protection. The work of the Special Representative of the Secretary-General for Children and Armed Conflict continued to place these issues on the agenda of the Security Council. At the country level, UNICEF was working within the United Nations country team to help protect the rights of children. The Chief added that mainstreaming child protection required that it be included in CCAs/UNDAFs and PRSPs, stressing the importance of linking child protection to the wider development agenda represented by these mechanisms.

159. In response to a question about clarifying the link between the Millennium Development Goals and child protection, the Senior Adviser used the example of girls' education. Child protection issues – sexual abuse and exploitation in particular – were major impediments to girls' education. He explained that child protection was not separate issue. Rather, it was an integral part of the achievement of the Millennium Development Goals. He informed further that the Child Protection Section was working on linking child protection with results-based management, on identifying results and on finding ways to measure these results.

160. Questions were raised about how UNICEF planned to mobilize resources and draw more attention to the areas of greatest need. The Director, Office of Emergency Programmes, announced that there would be a meeting on donor behaviour in Stockholm from 16 to 17 June. UNICEF would participate in the meeting and try to draw attention to the need for more resources for child protection and forgotten emergencies.

161. Several speakers commented on the issue of advocacy, which, it was felt, should not be viewed as a programming choice, but rather a means to inform every aspect of programming. UNICEF was urged to mainstream advocacy at all levels. At present, there was a lack of data to inform advocacy efforts. In response, the Chief affirmed that advocacy was an essential programmatic component, but that it was not optional. The MTSP made it clear that advocacy was to be a key strategy at the country level.

162. UNICEF was encouraged to use the valuable research conducted by the Innocenti Research Centre to inform work on the ground, as well as to strengthen Innocenti publications on child protection in the specific areas of trafficking, drug abuse, sexual exploitation and violence. The Chief acknowledged the tremendous value of the work carried out by the Centre. She informed that publications on trafficking and on the protection and care of orphans were forthcoming.

163. Other child protection issues were raised by delegations. In its approach to children affected by armed conflict, a speaker said that UNICEF could improve its work in the area of gender. The organization's emphasis on girls and women, as well as on the role of boys and men in perpetuating sexual abuse and exploitation, could be addressed more systematically. A number of delegations expressed concern about UNICEF work in the area of children with disabilities. The Chief noted the call for improved reporting in this area as well in the area of gender.

164. A speaker encouraged UNICEF to focus on (a) the development of social safety networks; (b) the obligation of the State to protect children; (c) legal reforms; (d) understanding the effects of violence on children; and (e) birth registration. The inclusion of child labour, juvenile justice, FGM and disabled children on the UNICEF child protection agenda was also urged. The Senior Adviser explained that the presentation was not intended to be exhaustive and did not report on all of the issues that fell under the umbrella of child protection. Rather, it had focused on three issues related to armed conflict. On birth registration, the Chief informed delegations that UNICEF carried out birth registration in 75 countries. In fact, birth registration was the theme of this year's "Day of the African Child".

165. In response to a question about the position of UNICEF on the death penalty for minors, the Executive Director said that UNICEF was guided by article 37 (a) of the Convention on the Rights of the Child, which "ensures that capital punishment shall not be imposed for offences committed by persons below eighteen years of age". UNICEF joined with others to advocate on this issue.

166. A speaker commented that, within the context of the MTSP, child protection did not adequately address discrimination. The Chief replied that the issue of discrimination was being taken up in all sectors, and that there was wide acknowledgement that it was cross-cutting at all levels. The Executive Director added that non-discrimination was one of the guiding principles of the Convention, and that the Mission Statement of UNICEF included references to children with disabilities.

167. In conclusion, the Executive Director said that members of the Board were challenged to understand their roles and responsibilities as they pertained to child protection. She stressed that every nation had a responsibility in the area of child protection. There was a long way to go in this relatively new area, and UNICEF had to continue to improve its efforts with a range of partners. A great challenge was to address the broad range of issues that fell under the umbrella of child protection. She welcomed and encouraged the support and resources of Board members.

G. UNICEF action in favour of AIDS orphans: oral report

168. The Chief of the UNICEF HIV/AIDS Section and his team presented an oral report on the situation of orphans and children made vulnerable by HIV/AIDS. It covered the scale of the HIV/AIDS epidemic; its impact, specifically on children; the goals, strategies, role and response of UNICEF; and what needed to be done to provide care and support for orphans and vulnerable children.

169. Speakers agreed that orphans and vulnerable children were a critical element of the UNICEF response to the HIV/AIDS epidemic, that they should be given greater attention at all levels, and that orphans needed a central place in terms of prevention, care and support. Issues that were of particular concern to some delegations were: prolonging the lives of mothers with improved health care and nutrition, and access to anti-retroviral drugs; the role of the Global Fund to Fight AIDS, Tuberculosis and Malaria in addressing the orphans crisis and the capacity of UNICEF to help countries apply for funds; the impact of gender issues on orphans; the deterioration of care for orphans and the effect on

the next generation of children growing up alone; the UNICEF partnership with UNAIDS; advocacy for orphans and vulnerable children within national poverty reduction strategies; and the importance of appropriate socio-cultural mobilization campaigns to bring about awareness of the orphan crisis at the country level.

170. In response, the secretariat agreed that Governments needed to assume a greater role in the care of orphans and that legislation was important at the country level, as was a system for monitoring the adequacy of the government response. In terms of funding, the United States had made a specific commitment to orphans and vulnerable children in most affected countries. Education was a fundamental and core priority for orphans' rights. Keeping parents alive was also key to the response, and the UNICEF strategy was to provide better nutrition and treatment against opportunistic infections, including providing vitamins to infected children and parents, especially women. The panel highlighted the prevention of mother-to-child transmission (PMTCT) "plus" initiative that UNICEF, in partnership with WHO and Médecins sans frontières (Doctors without Borders), was currently promoting and which included providing information on the sources and pricing of anti-retroviral drugs.

171. The secretariat also noted that the Executive Director had stressed the importance of placing orphans and vulnerable children higher on the agenda of the Global Fund, which currently had budgeted $1.5 billion for treatment, but also needed to focus on prevention efforts. While UNICEF helped countries apply to the Fund, there were expenses involved, and new resources were needed to cover these costs.

172. Regarding UNICEF leadership as a convenor around the issue of orphans and vulnerable children, the secretariat referred to the UNICEF global partnership forum to be held in October 2003, as well as regional meetings convened by UNICEF in the last two years. UNICEF had played a key role at regional and country levels in bringing partners together. Poverty reduction strategies, sector investment programmes and SWAps were key instruments for coordination. UNAIDS has played an important role in helping UNICEF to build capacities at global and regional levels.

173. On the issue of the next generation of orphans and the inter-generational impact of HIV/AIDS, the secretariat noted the evidence of increasing numbers of orphans even where the epidemic itself was levelling off. UNICEF, with other agencies, had emphasized the role of communities and getting resources to the community level as an important response in dealing with the next generation of orphans. UNICEF worked with faith-based organizations and parliamentarians in caring for orphans stigmatized by HIV.

174. Another member of the team said that there were differences between boys and girls, and a difference if a child lost his or her father or mother. UNICEF was developing research methods that could be used by Governments to help measure gender differences among orphans, including a study in Zimbabwe that would look at 1,500 orphan girls and their situations, and their specific risk of becoming infected with HIV.

175. In response to general comments on the need for policy documents to be presented to the Executive Board in addition to oral reports, the Executive Director said that it was difficult to provide up-to-date information when written reports had to be submitted for translation two months prior to a Board session, but encouraged continued discussion on methods to better engage the Executive Board in policy dialogue.

H. Ensuring children's rights in Africa: oral report

176. In his introduction to this agenda item, the Director of Programme Division provided some contextual background information to the oral report and its relation to the concern and priority expressed by the Executive Board in ensuring children's rights in Africa. This report, he said, responded to the concern that childhood in Africa had been in jeopardy for more a decade. The children and women of sub-Saharan Africa remained acutely vulnerable and exposed to the combined impact of the shrinking world economy, unserviceable international debt, armed conflicts and spreading violence, conjugated with the HIV/AIDS pandemic. In response to the Board's expressed interest in a report that focused on key points that were making a difference for children and gave a sense of hope, the Director said that the presentation would emphasize a few positive achievements that offered hope amid the harsh realities of widespread poverty, conflict, HIV/AIDS and malaria, and confirmed the continuing need and validity for priority attention given to Africa. The examples were intended to highlight successful national and subnational efforts to achieve goals rather than focus on the daunting issues of the continent as a whole. In a slight change in the usual format, the Director of Programme Division, invited the two UNICEF Regional Directors from sub-Saharan Africa to also address the Board on the subject, which covered the following five areas. Also available for Board members was a report on the regional meeting for Eastern and Southern Africa on the MTSP held in Maseru, Lesotho (E/ICEF/2003/CRP.11), and a report on the joint meeting of UNICEF, UNDP, UNFPA and WFP on children and poverty in West and Central Africa held in Libreville, Gabon (E/ICEF/2003/CRP.13).

Response of country programmes to the medium-term strategic plan priorities

177. The Director of Programme Division highlighted the high level of advocacy for political commitment for the priorities, including meetings with Heads of States at various summits and forums, including the United Nations Special Session on Children; and strengthening relations with the African Union in general and the Economic Commission of West African States and the Southern African Development Community in particular. He mentioned specific national policies aimed at ensuring that children had the best start in life. The Director said that the UNDAF and PRSP processes had been the best way of ensuring appropriate entry points for country programmes and achievement of the MTSP priorities. The importance of partnerships and strategic alliances with bilateral and multilateral donors, as well as with other actors, in achieving the MTSP priorities was also stressed. In the areas of increased investment, the example of girls' education, in particular, was cited. The response of country programmes to the HIV/AIDS pandemic, including PMTCT activities, was also noted.

Crisis in southern Africa

178. The Regional Director for Eastern and Southern Africa said that the humanitarian crisis in southern Africa had the potential of affecting some 40 million people. While drought and food shortages were the main features of the crisis, widespread poverty, HIV/AIDS, female- and child-headed households, absenteeism and drop-outs from schools, the deterioration of national infrastructures and the lack of vital personnel also contributed to the situation. In spite of the serious challenges facing the region, however, UNICEF, in collaboration with numerous partners, was engaged in activities that were making important differences in people's lives. The Regional Director focused his remarks on achievements and examples in the areas of HIV/AIDS and girls' education in the southern Africa region.

ChildInfo and monitoring the Millennium Development Goals in Africa

179. The Regional Director for West and Central Africa explained that the purpose of ChildInfo was to assist UNICEF in the use of information technology to accelerate change from the current situation, where children's rights were often violated, to a time when their rights were fulfilled. As standardized software packages, ChildInfo and DevInfo enabled UNICEF to organize and document statistical data on the situation of the Millennium Development Goals in the region and to present a variety of presentation tools such as tables, graphs and maps. The databases, she continued, could be updated regularly and formed the basis for many evaluation exercises. She informed delegations that the Africa Union had requested UNICEF support for the creation of Africa Info, an adaptation of the country-level ChildInfo database, which would help to monitor country and regional achievements towards agreed goals. She gave examples of how ChildInfo was used by countries and others in Africa for the welfare of its populations.

Contribution of UNICEF to the New Partnership for Africa's Development

180. The Regional Director for Eastern and Southern Africa explained some of the positive contributions UNICEF was making to help ensure that the New Partnership for Africa's Development (NEPAD) evolved into the kind of development mechanism envisaged by African Heads of State and the international community. On HIV/AIDS, UNICEF was prepared to work with UNAIDS and other technical partners to support the inclusion of a strategy for the pandemic into the NEPAD framework. He said it was expected that the application of poverty reduction strategies would be one of the primary methods of achieving the objectives of NEPAD and the Millennium Development Goals, and UNICEF was working with its regional offices to strengthen the understanding and participation of country offices in social sector PRSPs.

UNICEF and partnerships for Africa

181. The Regional Director for West and Central Africa affirmed that host Governments remained the principal UNICEF partners in the programmes of cooperation that sought to achieve the priorities of the MTSP and the Millennium Development Goals. She detailed the considerable scope for reinforcing working relations with a wide range of partners. She said that *A World Fit for Children*

provided several possibilities to extend partnerships in planning and implementation efforts to achieve the priorities of the MTSP. In the follow-up to the Special Session on Children and the *Say Yes for Children* campaign, partners of African development needed to use their influence to promote the priorities for children in processes such as the CCA, UNDAF, PRSP and the national plans related to achievement of the NEPAD goals.

Comments from delegations

182. Speakers addressing this agenda item expressed overall satisfaction with the priority focus of UNICEF on Africa. However, one delegation expressed the view that within the multiple priorities enumerated in the oral report, a selection needed to be made about which ones would be given focus and how they would be addressed. Linked to the post-polio eradication period, the same delegation asked what UNICEF was doing – and would do in the future – to support interventions and strategies in the health sector. She said that the priorities should also include maternal mortality, improving health care systems, curriculum reform and gender sensitivity training for boys within the framework of girls' education. While noting the comprehensiveness of the oral report, another delegation commented on the lack of information about the process and requested additional information on the development process in southern Africa. The speaker also praised UNICEF work in institutional capacity-building. On girls' education, the Regional Director for Eastern and Southern Africa stated that it was not only important to get them into school, but that it was also a factor in determining how a country developed. He said that priorities within the MTSP framework varied according to country-specific situations. In southern Africa, for instance, the focus on HIV/AIDS, girls' education and malaria were appropriate. He reminded the Board that survival remained the main concern for Africans and that malaria was the worst killer. He said that the post-polio thrust of health interventions should take into account the need to continue to strengthen routine immunization, and support for the revitalization of health services should be at the top of the list.

183. Many comments focused on the issue of rights. A question was raised about how working from a rights perspective had changed the way UNICEF worked and how it had impacted on the work of the United Nations in general. UNICEF was also asked to define its role in the United Nations reform agenda and humanitarian assistance. In the area of child rights and protection, a speaker expressed the view that UNICEF had a special role to play in advocacy on behalf of AIDS orphans and other children affected by HIV/AIDS. Furthermore, UNICEF was expected to play a catalytic role within the United Nations system to promote the greater availability of anti-retroviral drugs. On accountabilities for human rights, the Regional Director for Eastern and Southern Africa indicated that there was often a lack of capacity on the part of Governments, and that the United Nations, bilateral donors, NGOs and other partners continued to help in this area to close the capacity gap. There was also a need to monitor how this capacity-building took place. The Regional Director for West and Central Africa said that at the country level, the United Nations system used the mechanisms of inter-agency cooperation to address the issues of accountability for human rights. Increasingly, the CCA and UNDAF were being done from a rights-based approach. The periodic review of country programmes in relation to the UNDAF was a function of the resident coordinator system.

184. On the subject of female genital cutting, one delegation stated that the practice remained a multinational problem related to child protection and HIV/AIDS, and wanted to know what UNICEF was doing to help eliminate it. The delegation also asked what UNICEF was doing to support women's sexual and reproductive rights. The Regional Director for West and Central Africa provided examples of what was being done in Senegal, Burkina Faso and Niger in this area.

185. In order to end child trafficking and promote labour policies to protect children, one speaker said that greater collaboration was needed with the judiciary, police, customs officials and social workers, starting with their sensitization and training. Birth registration was seen as another important intervention in the campaign against trafficking and other exploitations. The delegation wanted to know how lessons learned were being used to further promote prevention in these areas. The Regional Director for West and Central Africa explained that several countries in the region were working on legislation that would provide increased punishment for convicted traffickers. Community surveillance of children within their areas had been a successful tool for monitoring children's whereabouts. She added that the sharing of information between communities should also be encouraged.

I. Human resources in the context of the medium-term strategic plan: oral report

186. The report was presented by the Director of the Division of Human Resources (DHR), who said that its human resources were the organization's best asset. Careful attention to staff recruitment, deployment, development and conditions of service were of paramount importance. United Nations reform and inter-agency initiatives had also helped to improve UNICEF strategies and approaches to inter-agency mobility, spouse employment, flexible work arrangements, security and safety of staff, and response to HIV/AIDS in the workplace. Following a global consultation held in Brasilia in 2002, DHR had developed a strategic Human Resources Change and Transformation Plan, which focused on improving corporate strategic human resources planning to better identify, define and forecast current and future human resource needs; the recruitment, selection and placement of staff to ensure that UNICEF has the right staff at the right place at the right time; career and staff development; performance management; and staff well-being.

187. In the year since the plan had been developed, training and learning programmes had strengthened staff capacities for rights-based programming, enhanced knowledge of the MTSP priority areas, strengthened capacities for emergency response and preparedness, and enhanced leadership and management skills. Competency profiles had been developed as successful recruitment and development tools. Personal and professional development programmes were empowering staff to manage their careers. Global rotation and targeted recruitment campaigns, such as the Young Professionals Programme, had provided required human resources to organizational priority areas. Improved conditions of service and work life policies had improved the organization's ability to attract and retain competent staff, particularly in difficult duty stations.

188. Challenges included the need to sustain efforts to promote human resources management as the business of all managers, bring human resources management closer to staff through the network of regional and country office human resources officers, and improve relevant information technology systems to promote greater efficiency.

189. In response to a request for additional information on the Young Professionals Programme, the secretariat said that it was designed to recruit talented young professionals to be groomed for management positions in the future. They had been selected through competitive assessment, with attention to gender and national diversity.

190. Asked whether UNICEF was recruiting the required people and competencies, especially in field locations, and to explain the effectiveness of the selection process, the secretariat confirmed that UNICEF was recruiting the staff it needed in most cases. It was felt that improvements in its approach to recruitment and improved conditions of service would further improve performance in this area.

191. In response to a request for clarification of how UNICEF was benefiting from talent from other United Nations agencies given that it had released a number of its own staff, especially at senior levels, under the inter-agency mobility programme, the secretariat said that while UNICEF was receiving a small number of staff from other agencies, it encouraged inter-agency mobility at the middle and junior levels as a way to build experience.

192. The secretariat explained how UNICEF was preparing staff for emergency assignments and following up when they returned. The revised rotation policy, based in part on the principles of burden-sharing, and the mainstreaming of capacity-building for emergency response into learning and development activities were effectively preparing staff for emergency assignments.

193. In preparing staff for high-level policy dialogue, given that it was a major thrust of MTSP strategies, the secretariat said that it had initiated leadership and management development programmes for senior staff and other learning modules to ensure that its staff could carry out the type of policy dialogue envisaged by the MTSP.

194. To ensure gender balance, the secretariat noted that 45 per cent of UNICEF staff were women, the second highest rate in the United Nations system. However, there were still challenges in this regard at the senior level.

J. Reports on field visits of Executive Board members

195. The Executive Board had before it a report on the field visit to Mozambique, which took place from 10 to 19 March and included a joint segment with members of the Executive Boards of UNDP/UNFPA and WFP. The reports (E/ICEF/2003/CRP.9 and Add.1) were introduced by the Vice-President and Permanent Representative of Lesotho to the United Nations. Also before the Board was a report on a second visit, to Tajikistan and Uzbekistan, which also took place between 10 and 19 March (E/ICEF/2003/CRP.10). That report was introduced by the Deputy Permanent Representative of the Russian Federation to the United Nations. The final report, on a visit by members of the Bureau

to Bolivia from 7 to 11 April (E/ICEF/2003/CRP.12) was introduced by the Vice-President and Permanent Representative of Slovenia to the United Nations. He stated that the visit, the first explicitly for members of the Bureau, was undertaken on the President's initiative and was financed by the Government of Switzerland. The team recommended that the practice continue every year.

196. A member of the team that visited Mozambique said that the members were able to see first-hand the innovative approaches used by UNICEF in implementing its country programme, especially its work in maximizing the impact of partnerships at the community level. One of the most valuable lessons of the mission was the importance of achieving a good balance between the outcome of programme activities and the process of programme delivery through support for established community structures, which helped to address the question of programme sustainability and service delivery. If UNICEF continued to focus on building local capacities in support of programme delivery, much of the difficulty related to sustainability would be resolved. In the joint segment of the visit, it became clear that further attention could be given to improving collaborative and joint programming, although it should be as simple as possible, and every effort should be made to reduce transaction costs.

197. Another member of that team said that the visit was physically tiring and emotionally draining because it gave a face to misery and poverty. For example, the team visited a district hospital responsible for 500,000 people, but with only 2 doctors and 34 nurses. That would be comparable to having just 36 doctors and 600 nurses for the 9 million people living in New York City. The visit also raised some questions about sustainability in a country where the vast majority of the budget came from foreign grants, and in view of Mozambique's lack of capacity. Some 60 per cent of public servants had only a primary education, which, in many cases, was incomplete. Capacities were further drained by the requirements donor countries placed on recipient countries. As for United Nations cooperation, the coordination mechanisms were in place and worked, but it seemed that they were time-consuming and presupposed that whoever wanted to participate had a constant presence in the capital. Regarding joint programming, he agreed that additional layers of reporting and administrative burden should be avoided.

198. The Executive Director said that while Mozambique was an extremely poor country, it did have positive revenue growth, which was a factor in its favour. She added that the visit to Tajikistan and Uzbekistan had the low levels of resources available for programmes in Central Asia partly because donors were not as familiar with them as they were with other regions. These countries faced very serious challenges because of poverty and its effects on children. The Executive Board took note of the reports on the three field visits.

K. Other matters

199. One speaker, on behalf of several other delegations, said that the Executive Board was making real progress in improving its working methods. Informal discussions were allowing greater interaction between the Board and secretariat on such important issues as children and armed conflict, HIV/AIDS and wider child rights issues. The Board had a collective challenge to continue to improve its working methods to help UNICEF make progress towards its organizational priorities. One lesson

learned from the annual session was the need to place greater emphasis on the "big picture" of the five MTSP priorities and overall progress. It would be helpful if the thematic reports on the MTSP priorities could be presented as official documents and presented to the Board in advance of the session. It would also be helpful if the Executive Director's report and the thematic reports provided a summary page of key issues for discussion. That would help the Board provide more strategic advice on progress, constraints to progress and possible solutions in the key MTSP areas.

200. The delegate of Switzerland introduced the draft decision on the UNICEF experience of joint programming, which had been the subject of informal consultations. The Executive Board approved the draft decision as contained in document E/ICEF/2003/CRP.15 (see annex, decision 2003/10).

L. Closing of the session

201. The Executive Director said that the session had been marked by very healthy and rich discussions, and that the secretariat appreciated the opportunity to make both formal and informal presentations to the Executive Board. The informal presentations made during the week often focused on evolving issues and ongoing work, and she hoped that they would be able to revert to some of them at future sessions. For example, the presentation on child protection had focused on children in armed conflict in order to provide a detailed report on only one aspect of a larger issue. Other child protection issues could be discussed at future sessions, as could other MTSP priority areas.

202. In closing, the Executive Director paid tribute to Roslyn Gibson, a member of the Executive Board secretariat, who was retiring from UNICEF after 30 years of service, 18 of them with the Executive Board.

203. The President noted the outstanding participation of delegations during the session, which had been very open and interactive. The session had many positive results, especially the outstanding work done on the UNICEF recovery policy. The Executive Director's annual report on progress towards the five MTSP priorities had been very informative, and the discussion on it very rich. The discussions also showed that the results-based approach, which was still a challenge for everyone, remained a necessity that had to be explored further. He noted the outstanding exchanges on the draft CPDs, and said that the various oral reports provided more depth to the discussions on those areas. However, the discussions could have been even more helpful if brief notes had been made available in advance of the discussions, and he asked the secretariat to bear this in mind for future presentations.

III. Joint meeting of the Executive Boards of UNICEF, UNDP/UNFPA and WFP

A. Simplification and harmonization

204. The Executive Director of UNICEF provided an overview of the 18-month-long simplification and harmonization process undertaken by the UNDG Executive Committee in implementing the provisions of the triennial comprehensive policy review (General Assembly resolution 56/201 of 21 December 2001). These included the new Country Programme Action Plan, which gave each agency a standard format for planning with partners for the duration of the programme cycle. She stressed that

the ultimate test for all the simplification and harmonization efforts would be greater effectiveness and reduced transaction costs.

205. The Chairperson of the UNDG Programme Group explained the objectives, guiding principles and approaches of the simplification and harmonization process; provided a status report on progress to date; and introduced one of the simplification and harmonization tools – the UNDAF results matrix. Five countries – Benin, Ecuador, Kenya, Niger and Pakistan – were presenting their country programmes to the Executive Boards and testing the new simplification and harmonization tools.

206. The Chairperson of the UNDG Management Group explained the principle behind common resource transfer modalities among Executive Committee agencies, which would reduce the burden on government partners. On joint programming, the objectives were to improve effectiveness and achieve better results and to improve efficiency specifically to reduce transaction costs for Governments as well as donors. The goal was to produce revised guidance by the end of 2003. She explained the three modalities of resource management: parallel funding; pass-through; and pooled funding. She described sector-wide approaches, another resource modality, as a form of pooled funding.

207. A representative of the Government of Benin and the United Nations Resident Coordinator for Benin reported on the experience to date in that country.

208. Speakers agreed that the work on simplification and harmonization, which was essential to increasing the efficiency and effectiveness of the United Nations system, had made significant progress and remained on track. Work in this area was central to programme delivery and would help to reduce transaction costs, while placing developing countries firmly "in the driver's seat" with regard to their national goals and priorities. The relation of simplification and harmonization with poverty reduction strategies and the UNDAF was seen as an important aspect. Speakers stressed the importance of linkages with the Organisation for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC) and the international financial institutions.

209. Many speakers expressed appreciation for advances made by the funds and programmes in the area of joint programming, although some indicated that joint programming should be pursued where it is appropriate, and in close consultation with the Government. Referring to a recent decision by the UNICEF Executive Board on joint programming, speakers suggested that other UNDG Executive Committee agencies should follow up on the issue.

210. The issue of resource mobilization was raised by several speakers, with a number of them encouraging the pooling of resources and integrated budgeting. Other issues raised included: the need to strengthen coordination; the need to strengthen national capacity-building; the importance of lessons learned; and the need for enhanced monitoring and evaluation in order to demonstrate that these initiatives can work at the country level.

211. Numerous comments were made about the future role of the joint meetings of Boards. They were seen by a number of delegations as an appropriate forum for policy dialogue, and it was suggested by these delegations that they be institutionalized, that reports and other background material be prepared jointly and in a timely manner by the relevant secretariats, and that they be given the authority to make formal decisions. A number of other delegations dissented from these proposals. Other suggestions for future agenda items included assessments of progress in simplification and harmonization and joint field visits.

B. Briefing on Iraq

212. The representatives of UNDP, UNFPA, UNICEF and WFP briefed the Executive Boards on their ongoing and planned activities in Iraq. They all reported progress in their respective areas of competence, which included reproductive health, education, immunization of children, food distribution, water supply and sanitation, energy supply, job creation and capacity development, especially since the adoption of Security Council resolution 1483. They also reported that the number of national and international personnel in Iraq had increased and were extending services to more areas despite the lingering security problems.

213. They reported that their activities were being coordinated and harmonized among the respective organizations, on the one hand, and with those of other stakeholders, including NGOs and community-based organizations, to ensure coherence, efficiency and effectiveness. UNICEF, for example, was collaborating with WHO in the assessment of the health sector; UNFPA was partnering with other agencies to provide health facilities for women; and UNDP was working with WFP in support of dredging activities. UNDP was also creating jobs to support sectors where other agencies were involved, such as the health sector. The funds and programmes were all involved in the UNDG working group on recovery and reconstruction coordinating the needs assessment effort.

214. The Executive Boards were also briefed on planned meetings for 23 and 24 June 2003 on the United Nations appeal, as well as a technical informal meeting, to share information on forward planning for the reconstruction of Iraq.

C. Transition from relief to development

215. The Executive Director of UNICEF gave a progress report on the UNDG Executive Committee on Humanitarian Affairs working group on transition issues, in her capacity as its chairperson. The working group had been established to promote national leadership in the transition from relief to development, and to clarify the role of both the United Nations and donors in supporting this process. Priorities during the transition phase included support for consolidation and stability, restoration of basic services and infrastructure, promotion of human rights and local capacity-building and support for refugees and internally displaced persons. The working group was focusing on eight countries and/or subregions that reflected a variety of circumstances, including countries with Security Council mandates, peace-keeping offices, special representatives of the Secretary-General, or the adaptation of existing tools like the Consolidated Appeals Process (CAP). The working group

would present a progress report to the Economic and Social Council in July, and submit its report to the Secretary-General by September.

216. The Deputy Minister of Foreign Affairs and Cooperation of Mozambique said that her country had a long history of coordination with the United Nations system, focusing both on immediate needs and long-term development. As demonstrated during the recent field visit by members of the Executive Boards, government ownership was central to this process, and coordination among all partners was the key to its success.

217. Issues raised by other delegations included: the need for increased coordination between United Nations agencies, including not only the funds and programmes, but also the Office of the High Commissioner for Human Rights and the Department of Peacekeeping Operations; the need to consider natural as well as man-made disasters in the exercise; the need for the funds and programmes to focus on strengthening the capacities of people affected by disasters and the need to address gender issues in the transition phase.

218. Asked for update on the "Four Rs" (Repatriation, Reintegration, Rehabilitation and Reconstruction) concept developed by the Office of the United Nations Higher Commissioner for Refugees, and the Brookings process, concerning the gap between emergency funding and long-term reconstruction needs, the Executive Director said that the working group was trying to integrate the lessons of those initiatives. Recent missions to Sierra Leone and Sri Lanka would be assessed in its upcoming reports.

219. The issue of adequate funding was raised by several speakers. One representative said that his Government has established a separate budget line for transitional activities, 70 per cent of which had been channelled through the United Nations. Other funding challenges were the lack of coordination when transition moved from relief to development, and the lack of instruments for doing so, including the CAP. A final speaker referred to his Government's recent extensive experience in Afghanistan, where a lot of infrastructure had to be rebuilt while people still had to be fed and security was a problem. Because of good coordination between agencies, there had been good results, and these lessons were being applied to the country's assistance to Iraq via international organizations.

D. Building on Monterrey

220. Delegations said that the Monterrey Consensus, reached at the International Conference on Financing for Development, had stressed that actors should remain engaged in follow-up activities through relevant intergovernmental and other governing bodies of stakeholders, and share experiences in the implementation and mainstreaming of the Consensus in United Nations operational activities at the national level.

221. They also stressed the urgency of galvanizing the follow-up activities, in particular the reduction of poverty, marginalization and destitution. They underscored the importance of a new compact among donor and recipient countries.

222. Delegations strongly supported the creation of instruments to measure the implementation of Millennium Development Goal 8, on developing a global partnership for development. They called on UNDP and OECD/DAC to develop such tools in full consultation with developing countries. They also stressed the significance of mutual accountability by donor and recipient partners.

223. Delegations renewed their determination to support the activities of the funds, programmes and specialized agencies of the United Nations, while underlining the need for increased ODA in a stable and predictable manner. They also emphasized the importance of coherence, coordination and simplification of procedures and programmes, and active partnership by all actors to increase efficiency and effectiveness in resource utilization. They also observed that democratic governance and the rule of law were essential elements in establishing an enabling environment for domestic resource mobilization and the building of domestic capacities to empower countries to be responsible for their own development. Some delegations, demonstrating their support of follow-up activities to the Monterrey Conference, announced increased contributions to ODA.

224. Representatives of UNDP, UNFPA, UNICEF and WFP reported on activities in their respective areas – democratic governance, vaccinations, reproductive health, empowerment of women and humanitarian support undertaken in programme countries – in the implementation and mainstreaming of the Monterrey Consensus. They said that although their resources remained below demand, the Monterrey Conference had resulted in announced contributions to ODA, without which the situation would have been worse as a result of deflationary pressures in major donor countries. They stressed the need for better coordination among themselves and with other bilateral donors and international financial institutions, especially the World Bank, for effective and efficient utilization of scarce resources. They also supported the need to develop tools to measure performance and monitor impact at the national level.

E. HIV/AIDS: Addressing the recommendations of the five-year evaluation of UNAIDS

225. The Executive Director, UNFPA, provided an overview of the five-year evaluation of UNAIDS, highlighting the findings, the implications for agencies, the recommendations of the UNAIDS Programme Coordinating Board (PCB) and how agencies had begun to address them. The Chair of the United Nations Theme Group on HIV/AIDS in Malawi, highlighted the challenges faced by the United Nations system at the country level, using Malawi as a case study. The Coordinator of the National AIDS Commission of Portugal, representing the Chair of the PCB, made a presentation focusing on UNAIDS governance-related issues and recommendations pertinent to the Executive Boards of the co-sponsoring agencies.

226. Delegations stressed the importance of recognizing the dynamic nature of the epidemic and the need to break the silence and stigma surrounding HIV/AIDS. They stressed that reproductive health should not be delinked from HIV/AIDS. Speakers noted that in meeting the challenge of HIV/AIDS, it was essential to mobilize additional resources, both financial and human, and to ensure that the response was results-based and gender-sensitive, with particular attention focused on the needs of women and girls. Numerous delegations underscored the need to strengthen cooperation among the agencies, particularly at the country level and within the theme groups. It was stated that the United

Nations system should facilitate national efforts through increased coordination and donors that should be prepared to support UNAIDS coordination mechanisms, including fully funding all components of the UNAIDS unified budget and work plan. Delegations encouraged the co-sponsors of UNAIDS to bring further consistency to their HIV/AIDS response.

227. Several delegations recommended that there should be a standing agenda item for the Executive Boards on the PCB recommendations and decisions. A number of delegations encouraged the agencies to undertake joint programming and also recommended that joint field visits focusing on HIV/AIDS should be organized in cooperation with UNAIDS for members of the Executive Boards. Delegations underscored the importance of system-wide sharing of the lessons learned from UNAIDS regarding improving the working methodology of the PCB and encouraged full cooperation and communication among the Executive Boards and the PCB. Emphasizing the linkage between food security, nutrition and HIV/AIDS, delegations stressed the need to coordinate food aid with other types of aid in addressing the epidemic. Delegations also pointed out the need to contribute to the ongoing discussion and dialogue on HIV/AIDS and governance issues in their own countries.

228. The agencies noted the guidance and recommendations offered by delegations and offered examples of their harmonized and collaborative work in addressing the HIV/AIDS crisis in Southern Africa and elsewhere. They welcomed the emphasis on gender and on the linkage between reproductive health and HIV/AIDS prevention, and concurred that food and nutrition should be a component of the strategy to fight HIV/AIDS. The lack or depletion of human resources resulting from the HIV/AIDS epidemic and the impact on the absorptive capacity of countries was underscored. The agencies agreed that innovative entry points were necessary to tackle the epidemic and that a results-based approach was essential.

F. Millennium Development Goals in Nepal

229. The debate was based on the implementation of the Millennium Development Goals in Nepal, with presentations by representatives from the Government, the United Nations country team and an NGO.

230. Delegations stressed that the primary responsibility for mainstreaming the goals into operational activities and reporting lies with the country. They called on the United Nations to provide adequate support in that regard.

231. Delegations commented, asked questions or sought clarifications which included: (a) the consultation process; (b) the integration of the goals into the UNDAF, the 10-year development plan and Poverty Reduction Strategy Paper (PRSP); (c) the relationship between the United Nations and the World Bank in development policy and in monitoring the goals; (d) the harmonization and coordination of activities among various donors in such sectors as capacity-building for data collection; (e) alignment of indicators and targets to reflect specific national situations; (f) the role of the United Nations system in conflict resolution; (g) the relationship between the United Nations and non-State actors; and (h) the costing of implementing the goals at national level.

232. The respondents said that comprehensive consultations had been conducted among parliamentarians, civil servants, special interest groups, women, different community entities and regions and the donor community. They spoke about the convergence in the design of strategies for the UNDAF and the goals. Objectives and outcomes in such areas as girls' education, provision of safe drinking water and reduction of child and maternal mortality had been clearly spelled out. The Millennium Development Goals had also been incorporated into the PRSP process and the United Nations team in Nepal had worked closely with the World Bank and other relevant stakeholders. The overall relationship between the United Nations and the World Bank at the global and national levels was good. A joint note by the heads of UNDP and the World Bank had been sent to all staff on their working relationship whose activities complement each other.

233. The indicators and targets had been realigned through extensive consultations, without losing the universality of the goals. The costing exercise was considered essential in determining how much was required to meet the targets. In the area of coordination and harmonization, donors were working together, for example, to build capacities for data collection and analysis and to enhance coherence, efficiency and effectiveness. Through decentralization, the UNDP governance programme had enhanced local communities' participation in the implementation of goals for education, with support from other United Nations agencies.

234. The panel said that on conflict, the Government and the United Nations system were working together to address the root causes. The United Nations had adopted a strategy and was strengthening its capacity in that area. Members of the Boards were informed that NGOs and other non-State actors were working closely with the government and the country team [illegible]icize the Millennium Development Goals through advocacy messages. A national conference of NGOs had adopted a resolution on promoting awareness of the goals at all levels in the country.

Part three

Second regular session 2003

Held at United Nations Headquarters from 15 to 19 September 2003

I. Organization of the session

A. Opening of the session

235. The Executive Board held a moment of silence in honour of the 22 United Nations staff members killed in the 19 August attack on the United Nations headquarters in Baghdad. They included Mr. Chris Klein-Beekman, the UNICEF Programme Coordinator in Iraq. The Board also expressed its best wishes for a speedy recovery to Ms. Polly Brennan of UNICEF New York, who had been wounded in the attack.

236. The President, echoed by many delegations, expressed condolences to the Government and people of Sweden on the murder of their Foreign Minister, Ms. Anna Lindh.

237. The President said that the attack in Baghdad underscored the enormous difficulties facing United Nations colleagues working in the field as they tried to fulfil the Organization's humanitarian mandate. The bombing had also been an attack on the legitimacy of the United Nations. Member States must reinforce their political support to the United Nations agencies and do all possible to guarantee both their operational effectiveness and a fundamental respect for the Organization.

238. The Executive Director said that the colleagues killed in Baghdad all had died in service to an ideal. Chris Klein-Beekman had a deep dedication to the cause of children, and he knew from his experiences in Ethiopia and Kosovo that building a world fit for children could be complex and dangerous. Despite this tragedy, however, UNICEF would never turn away from its humanitarian mission, in Iraq or anywhere else children were suffering.

B. Adoption of the agenda

239. The Executive Board adopted the agenda for the session (E/ICEF/2003/11 and Corr.1) with some slight amendments to the timetable.

240. One speaker said that his delegation was troubled by the inclusion in the agenda of an item on UNICEF involvement in TRIPS. The delegation objected to the idea that UNICEF had a role in TRIPS and was concerned that the time of the Executive Board, instead of the World Intellectual Property Organization (WIPO) and WTO, was being used to discuss it. UNICEF should play a critical role in improving national health systems, but should not use its funds to engage in politicized advocacy on the subject of TRIPS.

241. In a subsequent statement, the same delegation expressed some concerns that there was a loss of focus on UNICEF core activities, especially related to child survival, and stressed the importance of results-based reporting to the Executive Board's oversight function.

242. In accordance with rule 50.2 and the annex to the rules of procedure, the Secretary of the Executive Board announced that credentials for the session had been submitted by 61 observer delegations, 3 United Nations bodies, 4 intergovernmental organizations, 4 National Committees for UNICEF and Palestine.

II. Honours and awards

243. On behalf of the Executive Board, the President presented a special award to H.E. Mr. Anand Panyarachun, former Prime Minister of Thailand and UNICEF Goodwill Ambassador, in recognition of his work to fight HIV/AIDS in Thailand and to raise funds for UNICEF.

244. The Executive Director announced that the UNICEF Staff Award for 2002 had been awarded globally to the many offices involved in the collective effort to support the Back to School campaign in Afghanistan. These included staff from the Afghanistan country office, Supply Division, the regional offices for South Asia and Europe, headquarters and the Central Asia offices.

III. Addresses by heads of WFP and WHO

245. Mr. James Morris, WFP Executive Director, said that there were 300 million hungry children in the world today, more than one half of whom did not go to school. "We can feed a child for $35 per year, and could feed all 300 million for $10 billion to $12 billion per year", he said. UNICEF and WFP had to be the backbone of the partnership that will raise these funds and make sure that every child was fed, went to school and had a chance to live. UNICEF and WFP had worked together in 45 countries in 2002. A nutritional survey in the Democratic People's Republic of Korea had found that the WFP food aid programme had helped to reduce the percentage of North Korean children who were underweight from 60 in 1998 to 20 in 2002. Other joint initiatives included school feeding programmes, which offered a platform for HIV/AIDS interventions by attracting children to schools.

246. Dr. Lee Jong-Wook, Director-General of WHO, stressed the importance of the decades-long partnership between UNICEF and WHO, which were natural partners in the pursuit of Health for All. Their collaboration today included the global polio eradication campaign; the fight against HIV/AIDS, tuberculosis and malaria; efforts to stop young people from smoking; the prevention of mother-to-child transmission of HIV; and initiatives to make pregnancy safer and for the integrated management of childhood illnesses. He promised that during his tenure, WHO would remain "the best friend of UNICEF, and the best friend of children in the world".

IV. Deliberations of the Executive Board

A. Decisions adopted by the Economic and Social Council: oral report

247. The Director, Office of United Nations Affairs and External Relations, presented an oral report on decisions taken at the 2003 substantive session of the Economic and Social Council that were of relevance to UNICEF. He also reviewed the session's various segments devoted to rural development (the high-level segment), operational activities, coordination and humanitarian affairs. In addition, a

series of panels included a dialogue with the Executive Heads of UNDP, UNFPA, UNICEF and WFP, a discussion of field-level evaluation and a discussion with members of the United Nations country team for Senegal and representatives of the Government.

248. The Council's resolution 2003/3, on progress in implementing the triennial comprehensive policy review of United Nations operational activities, set out a comprehensive set of actions for follow-up by all members of UNDG, which had begun to work on those tasks. Resolution 2003/6 established a multi-year framework for the coordination segment and endorsed the General Assembly's proposals for the future review of the implementation of outcomes of the major conferences - including a major event in 2005, possibly a comprehensive review. Resolution 2003/5 addressed financing, transition issues, protection of civilians, humanitarian access, internally displaced persons, gender issues in humanitarian assistance activities, and the Plan of Action on Protection from Sexual Exploitation and Abuse in Humanitarian Crisis.

249. The Director said that the Executive Director would expand on these issues in the first part of her annual report to the Board at the first regular session of 2004.

B. Review of the modified system for the allocation of regular resources

250. The Executive Board had before it a report on the implementation of the modified system for allocation of regular resources for programmes (E/ICEF/2003/P/L.21), which was introduced by the Director, Programme Division.

251. Speakers commended the fact that the target of allocating 50 per cent of regular resources to sub-Saharan Africa had been achieved, and that there was a good balance between universality and special needs. Many delegations noted the need for substantial increases in donor contributions to regular resources, a point also emphasized by the Executive Director. They also commended the good progress – an increase from 46 to over 54 per cent – that had been made towards allocating 60 per cent of regular resources to the least developed countries (LDCs), and they encouraged NICEF to meet this target even before 2005.

252. Several delegations underlined the importance of timely, accurate country statistics, particularly the under-five mortality rate (U5MR), and encouraged UNICEF country offices to collaborate in social statistics and their analysis, particularly in terms of monitoring results and progress towards the goals of the MTSP and the Millennium Development Goals. The Director said that UNICEF had been very active in the development with partner agencies of those indicators in order to improve monitoring of disparities within and between countries.

253. All speakers stressed the importance of regular resources to UNICEF and encouraged donors to increase their contributions. Several delegations said that only substantially increased levels of regular resources could result in sufficient resources to provide larger allocations in dollar terms to areas not favoured by the modified system, e.g., to countries that were smaller, middle-income and had lower U5MR.

254. Several delegations emphasized the importance of country-level private-sector funding, local partnerships and coordination between UNICEF and public and private sector organizations. The example of Brazil was cited, where in addition to the minimum allocation of regular resources, over $4 million had been raised in private sector contributions for the UNICEF country programme. The Director stressed the importance of the many partners UNICEF had at country level, and said that country offices faced challenges in working to ensure that the country programme was appropriate, collaborative (e.g., within UNDAF), and supportive of country-based approaches, particularly poverty reduction strategies.

255. Delegations reiterated their continued support for the modified system's giving priority to the neediest countries and several thanked UNICEF for its stress on poverty reduction. The Director said that he expected UNICEF to continue to play a significant role in efforts to reduce poverty, particularly in African LDCs.

256. Asked for further information on how the 7-per-cent set-aside had been used, the Director replied that information on every country programme which received an allocation was included in part II of the Executive Director's annual report to the Executive Board. Some speakers suggested that the set-aside be used to strengthen response to such MTSP priorities as girls' education and child protection, and that the allocations be based on needs assessments. They also suggested that it be used to supplement new directions identified in the mid-term review of a country programme, for critically needed humanitarian action, or to 'plug' critical gaps in development assistance. The Director explained that the 7-per-cent set-aside had been used: (a) for improving the quality of programmes; (b) for innovations; (c) to substitute for unrealized other resources contributions when the country office had allocated substantial regular resources to a crucial programme; and (d) to leverage additional funds (e.g. matching funds) for MTSP priorities. Priority had been given to LDCs and critical programmes (e.g. HIV/AIDS, polio eradication), although in principle all countries fell within the permissible scope of the set-aside. Allocations were made on a case-by-case basis, sometimes by country, sometimes by theme, but were always guided by the overriding priority to LDCs and the goal of poverty reduction.

257. Several delegations asked for further information on whether the flexibility of 10 per cent was adequate to meet critical needs, particularly for countries in great distress, and one speaker suggested that more than a 10-per-cent flexibility should be allowed, since a "one size fits all" approach was not appropriate in combating poverty.

258. Most delegations agreed that the minimum allocation of $600,000 was adequate, but many suggested that in future consideration be given to increasing the amount when total regular resources increased significantly. One speaker suggested that the amount should be adjusted for inflation. The Director emphasized that the allocation of $600,000 per country as a minimum was important in that it permitted UNICEF to have a core programming engagement in every individual country programme of cooperation.

259. Several delegates asked for more information on the process of "graduation", specifically how UNICEF managed the process and how it determined the amount to be allocated to a given country that had reached the threshold. Some speakers stressed the importance of the continuing role of UNICEF to assure durable progress for children in countries in transition. The Director said that the Executive Board had instructed the Executive Director to enter into an individual dialogue with each of the 'graduating' countries to determine the most appropriate forms of collaboration subsequent to graduation, find country-specific solutions and create a smooth transition.

260. Delegations expressed concern about whether the allocations of regular resources would be sustained over time, given that the system depended upon voluntary contributions. The Director said that under the medium-term financial plan approved by the Board, although regular resources recently had become the smaller portion of total income (compared to other resources), contributions to regular resources had increased gradually in dollar terms. That seemed to be good reason to expect the total amount of regular resources to be sustained and, hopefully, substantially increased in both dollar terms and as a proportion of total income.

261. Many speakers said that the priority allocation of regular resources to LDCs clearly complemented the achievement of MTSP priorities. Several delegations said that UNICEF had much to offer to support achieving those goals and expected to see good performance in the poorest countries, including in the area of water and sanitation. Some said that it would be desirable to evaluate the effectiveness of UNICEF with respect to those allocations. The Director said that countries with very high U5MR (over 140 per 1,000 live births) received substantially greater allocations of regular resources. This increased allocation was linked closely to the MTSP, e.g., for reduction of mortality due to malaria or HIV/AIDS.

262. Several delegations said that the modified system had resulted in decreased allocations to middle-income countries, and asked about reversing this decline. The Director replied that in many of those countries, poverty was best seen in terms of disparities and the UNICEF strategy was to advocate for and leverage additional national resources for the poorest segments of society. Of the countries currently in dialogue concerning their transition, some were already net contributors to UNICEF, in that the total amount contributed by the Government and the private sector was greater than the UNICEF regular resources allocation. The key question was how best to use that limited allocation to stimulate more local contributions.

263. Several delegations said that there might be a need to find criteria that would yield even greater allocations for countries with serious difficulties, and that the priority accorded sub-Saharan Africa could be strengthened further to help them achieve the Millennium Development Goals. The Director replied that the special requirements of particularly distressed countries were a principal factor in having incorporated the rule of up to10-per-cent flexibility in allocations. To suggestions that greater other resources allocation to LDCs would be desirable, he said that decisions regarding those allocations rested primarily with donors. The Executive Director added that UNICEF itself did not have great influence over other resources allocations given that country programmes were the product of collaboration with host Governments and were approved by the Board.

264. See annex, decision 2003/13, for the text of the decision adopted by the Executive Board. After the adoption of the decision, a number of delegations said that in the context of universality, UNICEF must not forget the needs of countries in Latin America and the Caribbean. Speaking on behalf of the regional group, one delegation said that the group supported UNICEF efforts to help the region, which in turn could heighten awareness in the international community about the problems facing their children.

C. Financial plan for 2003-2006

265. The Executive Board had before it the medium-term financial plan for the period 2003-2006 (E/ICEF/2003/AB/L.7), which was introduced by the Deputy Executive Director, Operations.

266. Delegations expressed encouragement with the positive evolution of income during 2002 resulting from increased regular resources income. They acknowledged the efforts of UNICEF in mobilizing additional private sector contributions but also expressed concern regarding the imbalance between regular and other resources income, with regular resources forecast to be 45 per cent of total income in 2005. Speakers stressed the importance of regular resources to UNICEF, as they provided a critical foundation for country programmes of cooperation.

267. Several delegations suggested that in future, the financial plan include more links between the five organizational priorities of the MTSP and proposed resource allocations. The Deputy Executive Director said that part II of the Executive Director's annual report included detailed reporting on expenditures and results, with a breakdown according to priorities and across regions. In addition, allocations for priorities within country programmes were based on national priorities and made at country level. The Board was made aware of these allocations through the country programme documents submitted for its approval.

268. Asked about cash balances and the UNICEF liquidity policy, the Deputy Executive Director said that under its liquidity policy, recently endorsed by the Executive Board, UNICEF maintained a liquidity reserve corresponding to 10 per cent of the projected regular resources income for the next year. UNICEF did not have a credit facility in case of liquidity needs.

269. Asked whether there were plans to allocate additional resources to staff and office security in light of recent events in Iraq, the Deputy Executive Director stated that even prior to the attack, UNICEF had given priority to staff security and issued guidelines regarding budgeting for these needs within the support budget. Further efforts had been made in the framework of the budget for the 2004-2005 biennium, with increased allocations for staff security worldwide. The proposed budget would be reviewed by the Executive Board in December.

270. Various delegations inquired about the implications of the recently approved recovery policy on the income forecasts and the impact it could have on the incentive framework for mobilization of regular resource. The Deputy Executive Director said that while there would be some impact in the coming years, it would not be significant in 2003.

271. Responding to questions about the implications of the proposed funded reserve for after-service health insurance for UNICEF financial commitments and for staff members, the Deputy Executive Director estimated liabilities in that area to be close to $300 million. To date, UNICEF had covered those liabilities through disbursements from regular resources. The proposed reserve aimed to provide predictable earmarked funding for those liabilities with an initial contribution of $30 million in 2003 (made possible by improvements in income during this year) and modest allocations of $10 million per year during the remaining part of the financial plan period. UNICEF and other United Nations agencies were acting on the advice of the United Nations Board of Auditors in instituting the reserve to comply with prudential measures of liability management. The institution of the reserve did not imply any retroactive measures.

272. To a question about the use of income generated from the private sector, the Deputy Executive Director said that regular resources income from the private sector was subject to the standard allocation formula. Other resources income generated from the private sector was allocated based on submissions approved by the Executive Board.

273. In relation to issues raised about cost-effectiveness and the quality of financial management, she said that UNICEF took those issues very seriously as part of its corporate practices and that internal and external auditors followed this performance very closely through their periodic reviews. For example, in the area of financial investment, UNICEF had instituted a Financial Advisory Board, headed by the Executive Director, which ensured that the organization's resources were invested prudentially and soundly, providing secure and reasonable returns on investment. UNICEF compared favourably with United Nations benchmarks for that area.

274. See annex, decision 2003/11, for the decision adopted by the Executive Board.

D. Summaries of mid-term reviews (MTRs) and major evaluations of country programmes

Introduction by Director, Evaluation Office

275. Before the Regional Directors made their individual presentations, the Director of the Evaluation Office discussed the results achieved in 2002 by his Office. In the ensuing discussion on the regional MTRs and evaluations, some delegations expressed concerns about the overall reporting on major evaluations. Although they understood the necessity to present concise reports to the Board, they said that the reports varied too much in format and were uneven in the terms of their descriptions of context and substance. In some cases, the information was too brief to allow delegations to comprehend fully the implications of the projects or programmes for the future collaboration between UNICEF and its partners. Common themes of concern included ownership, cost-effectiveness, sustainability, going to scale and mainstreaming, and the dissemination of lessons learned.

276. Overall, the delegations said that the reports did not provide sufficient evidence on the results achieved. One speaker said that a results-based approach must be the foundation of UNICEF work if the organization was truly going to make a difference in children's lives. The realization of children's

rights would be most effectively accomplished if they were explicitly linked with measurable outcomes and evaluations. An evidenced-based approach should be used as the tool for defining, measuring and evaluating progress as set out in the MTSP and elsewhere. However, too few of the reports submitted provided relevant indicators facilitating the measurement of population-based indicators and they were often anecdotal.

Eastern and Southern Africa

277. The Regional Director presented the regional report (E/ICEF/2003/P/L.22). One speaker said that to a very large extent, most of the UNICEF country programmes were related to the CCA/UNDAF, the MTSP priorities, the Millennium Development Goals and a rights-based approach.

278. With regard to the HIV/AIDS pandemic in the region, one delegation expressed doubts about the effectiveness of UNICEF interventions in life-skills education in terms of behavioural change. The Regional Director acknowledged that for such programmes to be effective, a number of social factors had to be addressed comprehensively, adding that UNICEF was grappling with those issues in its programme interventions. Asked for more information on what specific measures UNICEF was taking to address gender-based issues in the fight against HIV/AIDS, including the reluctance of some spouses to participate in voluntary testing and counselling, he referred to a programme in Zimbabwe where UNICEF supported the training of 5,000 counsellors to ensure greater coverage of community-level counselling services. Although the intervention was at the pilot stage, there was evidence that its methodology and strategic framework were effective in encouraging spouses to go for voluntary testing and participate in counselling.

279. A delegation asked what interventions UNICEF was supporting, in collaboration with national Governments, to address the growing problems of orphans, child abuse and abandonment and child prostitution resulting from the HIV/AIDS crisis. The Regional Director replied that that the UNICEF approach was characterized by continuous learning from which effective strategic elements from best practices were being distilled and implemented in a number of countries in the region. UNICEF had also committed to reserve 50 per cent of regular resources of every country programme in the region for HIV/AIDS. The Executive Director added that UNICEF had been requested by the Secretary-General to chair a task force on women, girls and HIV/AIDS in Southern Africa, which was working closely at field level with resident coordinators.

280. Asked how UNICEF was responding to the current complex food security crisis in southern Africa, the Regional Director said that the new country programme for Zimbabwe, to be presented to the Executive Board in 2004, would reflect an appropriate emergency response. He also referred to a joint regional food assessment and evaluation, conducted earlier this year by UNICEF and the Food and Agriculture Organization of the United Nations. According to the assessment, 240,000 children who had been targeted on the basis of geographic disparities currently were benefiting from a feeding programme. The Executive Director acknowledged UNICEF collaboration with WFP and other partners, adding that the main programmatic thrusts included therapeutic supplementary feeding for children, development of assessment tools, support to the vulnerability assessment committee and providing guidance and support for effective engagement of religious leaders and parliamentarians.

281. A delegation said that UNICEF should pay greater attention to human and institution capacity-building in Somalia, as a prerequisite for dealing with issues of gender, education and health. The Regional Director said that UNICEF needed to shift emphasis to capacity-building and institutional development as the situation in Somalia began to stabilize, as reflected in the new country programme to begin in 2004.

West and Central Africa

282. The regional summary of MTRs and major evaluations (E/ICEF/2003/P/L.23) was presented by the Regional Director. One delegation appreciated the fact that the HIV/AIDS programme in the Democratic Republic of the Congo allowed young people to participate in the implementation of projects. Another delegation said that HIV/AIDS education for young people should be expanded in the eastern part of the country. More than one delegation raised concerns about the increasing number of orphans and other vulnerable groups that have resulted from the pandemic. At least one delegation sought further information on collaboration with UNAIDS and other partners since this was not stressed in the report. Several speakers noted the importance of work done by UNICEF in such areas as peer education and youth participation.

283. Another delegation said that it supported the education and awareness-raising undertaken by UNICEF on HIV/AIDS, including a recent training course held in Gabon for francophone countries. A delegation expressed appreciation for achievements in behavioural change in HIV/AIDS activities in Ghana. The speaker asked how UNICEF would utilize the results of the evaluations to improve greater community involvement and awareness. The Regional Director agreed that countries in the region needed greater support in building and maintaining capacity. Recent collaboration between with members of the Economic Community of West African States was a strong indication of their commitment to capacity-building. As part of the peer review mechanisms of the African Union, countries and Heads of State would be examining each others' progress towards development objectives, and the MTR and evaluation findings would contribute to preparing these reviews.

284. Referring to the Niger MTR, one speaker noted that the country was one of the pilot countries for harmonization of United Nations activities, and asked about the possible effect of greater harmonization on improving the health and nutritional level of girls and women. Another delegation appreciated the rage of projects in Niger aimed at improving the lives of children and women, but said that such a poor country required more focus on immunization and other child survival and maternal health activities, especially since current levels were far from acceptable. This "bottom line" focus was necessary even with community empowerment and public awareness.

285. In response to a question about working with NGOs, the Regional Director said that this was an import priority for UNICEF partnerships. Concerning the focus on basic child survival in very poor countries, she mentioned the West African Child Health Initiative sponsored by USAID and other donors. She also cited child protection interventions for children in Liberia, for which UNICEF would prepare comprehensive proposals and seek donor assistance.

The Americas and the Caribbean

286. The summary of MTRs and major evaluations (E/ICEF/2003/P/L.24) was presented by the Regional Director. Several delegations said that the programmes evaluated in the report were positive experiences that should be replicated. In response to queries from delegations, the Regional Director provided additional information on the components of the programmes in Brazil and Bolivia. Several speakers asked how UNICEF was planning to address the funding constraints of programmes in the region, as reflected in terms of UNICEF resources as well as in the study on the financial requirements of the Ibero-American Plan of Action. The Regional Director underlined the importance of the UNICEF role in facilitating partnerships and agreements aimed at increasing social investment in the region. He would participate in the upcoming ministerial meeting in Santa Cruz, Bolivia, in preparation for the Ibero-American Summit to be held there in November. Following his recent contact with the President of the Inter-American Development Bank, the latter has shown strong interest in working with UNICEF, particularly on child protection issues. He also mentioned the example of Argentina, where UNICEF was trying to ensure that negotiations between the Government and the International Monetary Fund took into account the need to protect vulnerable groups.

East Asia and the Pacific

287. The summary of MTRs and major evaluations (E/ICEF/2003/P/L.25) was introduced by the Regional Director. Several delegations commented on the evaluation of the Pacific Islands multi-country programme and the resulting improvement in its focus. One speaker referred to the involvement of UNICEF with the Pacific Forum Secretariat on HIV/AIDS and commended its efforts to engage more strongly at the regional level. She thanked UNICEF for its assistance to fill policy gaps in a number of countries, especially in the context of achieving the Millennium Development Goals. The Regional Director said that the individual Pacific Island countries were much more engaged, as each had its own master plan of operations. The countries had participated with regional institutions in the Bali Ministerial Consultation held in May.

288. A speaker commended the peace education initiative in Indonesia, saying it built a solid foundation for young people to live in harmony and tolerance within a country so diverse in culture and background. He supported efforts to recruit more female students and teachers. In reaction to the discontinuation of the initiative in Sulawesi province, he stressed the importance of localizing concepts and of promoting dialogue, participation and critical thinking among the target communities so they may better understand the programme. The Regional Director agreed about the importance of peace education programmes, emphasizing that while they took time, they eventually led to better understanding among the diverse communities.

289. Another speaker welcomed the evaluation of the basic education project for ethnic minorities and other disadvantaged children in Viet Nam, and mentioned the difficulties of introducing bilingual education in that country. The Regional Director said that the issue was complex, particularly because there were 53 ethnic minority groups and not enough resources for education in the remote areas where most of them lived. The Government was committed to teaching ethnic minorities in their own language, but there was a lack of teaching skills. Consequently, and for practical reasons, Vietnamese

invariably was taught as a first language in many provinces. More training was being done to remedy the situation, as well as more recruitment of pre-primary school teachers from local and ethnic minority populations, to encourage more culturally appropriate content in the curriculum. She added that the Canadian International Development Agency would co-sponsoring with UNICEF a symposium on national policies on research and bilingual education next October in the Lao People's Democratic Republic.

290. One delegation made a general statement indicating that UNICEF technical support should be linked to priority needs of recipient countries, and to realizing the goals of *A World Fit for Children*. Responding, the Regional Director mentioned a conference on iodine deficiency disorders (IDD) to be held in China in October.

South Asia

291. The regional report (E/ICEF/2003/P/L.26) was introduced by the Regional Director. The representative of India, commenting on several evaluations undertaken as part of the India country programme, said that the activities and strategies of the new programme were informed by sound monitoring and evaluation practices. The Border District Cluster Strategy emphasized both community involvement and efforts to converge health and nutrition interventions, and the Government wanted to widen its scope. The decentralized education programme emphasized girls' education and was linked to various initiatives, including free textbooks, gender-sensitive books, community mobilization, sensitization of teachers, education for minority communities, children with special needs, school sanitation and hygiene education. The programme to reduce girls' anaemia, which had started in Gujarat, had seen positive results as highlighted by the evaluation. Overall, given the complexity of issues in India, evaluations should be ongoing and be based on the community and other stakeholders.

292. One delegation said that in all the evaluations presented, community involvement was needed to allow UNICEF to make progress on the ground. That was especially important with regard to girls' enrolment in schools and for improved health and hygiene conditions for the population.

293. Regarding the psychosocial programme in Sri Lanka, a speaker asked if it would be possible to replicate it in other countries affected by conflict. The Regional Director said that UNICEF would be happy to share the results and the experiences of the programme with other countries.

294. The representative of Japan praised the collaboration between his Government and UNICEF, particularly in the polio eradication effort. In addition, the Japanese International Cooperation Agency (JICA) was one of the partners collaborating in the Border District Cluster Strategy in India. He said Mrs. Sadako Ogata, former United Nations High Commissioner for Refugees, has just been appointed to head JICA, an announcement that was welcomed by the Executive Director.

Central and Eastern Europe, the Commonwealth of Independent States and the Baltic States

295. The report (E/ICEF/2003/P/L.27) was introduced by the Regional Director. A number of delegations said that MTRs and other reviews showed substantial progress in the MTSP priorities in the region, especially girls' education, early childhood development and immunization. Others expressed concern at such growing problems as inadequate national data and registration systems, hunger and extreme poverty, declining living standards, HIV/AIDS, environmental sustainability, problems affecting ethnic minority children, inadequate quality of early childhood and basic education, street children, orphans, child trafficking and even terrorist attacks. The Regional Director agreed that there were disparities within and between countries and reiterated the UNICEF commitment to eradicate them. For example, UNICEF supported a regional group of NGOs to adopt a programme to "leave no child out".

296. The representative of Serbia and Montenegro said that in his country, the authorities, UNICEF and NGOs had established a constructive alliance to meet the needs of children. UNICEF had helped to promote the goals of *A World Fit for Children* and had assisted in preparing both the initial report to the Committee on the Rights of the Child and the National Action Plan for Children. His Government was committed to improve the situation of children and to make children's rights a priority on its agenda.

297. The representative of Kazakhstan said that successful cooperation between UNICEF and the Government included immunization and polio eradication, elimination of IDD and vitamin A deficiency, reduction of anaemia and U5MR and protection of vulnerable groups. He hoped that the Executive Director's upcoming visit to Kazakhstan would further strengthen the cooperation between UNICEF and his country. He requested that UNICEF consider including the Aral Sea Project for Environmental and Regional Assistance in the next country programme. The Regional Director said that Kazakhstan had prepared an outstanding report on the Millennium Development Goals that gave an honest appraisal of issues. However, the adoption of a new approach and commitment to strengthen primary health care, with a key focus on child mortality, would help the country move ahead. As for the Aral Sea project, he said that UNICEF would try to respond appropriately to the Government.

298. A delegation asked UNICEF to clarify whether it worked with national structures, whether its programme was incorporated in national planning frameworks, how it worked to improve its monitoring quality and what lessons were learned. The Regional Director said that UNICEF worked very closely with partners on national frameworks, for example in Albania, where UNICEF had agreed with the Government and the World Bank to include as national priorities the parts of the poverty reduction strategy that would directly affect the well-being of children. In Central Asia, UNICEF worked with Governments, the World Bank and the Asian Development Bank to develop new micronutrient policies, in particular for food fortification. In Azerbaijan, UNICEF worked with the development banks and the Ministry of Education on education system reform. In some parts of the Russian Federation, UNICEF had helped to establish an ombudsperson for children in the hope of

replicating it at the national level if the Government wished. Because in some cases statistics were unreliable, UNICEF worked with the World Bank and national statistics offices and line ministries to improve the quality of statistics in the region.

Middle East and North Africa

299. Following the presentation of the report (E/ICEF/2003/P/L.28) by the Regional Director, a number of delegations discussed their collaboration with UNICEF, particularly in the areas of child protection and development. Speakers generally acknowledged the good quality of the evaluations in the region and stressed the importance of results-oriented evaluation and monitoring.

300. The representative of the Islamic Republic of Iran, referring to the MTR of that country programme, stressed the importance of close cooperation between UNICEF and the Government in responding effectively to such issues as the situation of refugees, gender and improved access of girls to primary education. The Government expected UNICEF to support implementation of its national social development priorities, including government efforts to increase access to social services in remote areas, and participation of NGOs and civil society in programmes for children. The Regional Director said that UNICEF worked with the Government on literacy programmes which targeted young women and girls in the refugee communities. Important work had also been done in HIV education.

301. Referring to the evaluation of a project to address FGM in Egypt, speakers asked about the role of the National Council for Women, about specific follow-up actions based on the evaluation's recommendations and about coordination of efforts with other United Nations agencies. The Regional Director referred to the leadership provided by the First Lady and national councils for children and for women. UNDP was an important partner, and other countries including Djibouti, the Sudan and Yemen, were undertaking national programmes for FGM.

302. In relation to the evaluation of the programme for Palestinians in refugee camps in Lebanon, a number of delegations welcomed the effective relationship between UNICEF and relevant Palestinian authorities as well as coordination with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) in monitoring the rights of children. The Regional Director replied that Palestinian children in refugee camps required a lot of assistance and there had been improvements in their situation. UNICEF would continue to work closely with UNRWA, and major elements of the new programme for Palestinian children and women in Jordan, Lebanon, the Syrian Arab Republic and the Occupied Palestinian Territory were in place, including the coordinating committee between UNICEF and the respective Governments.

303. Regarding the evaluation of the nomadic education project in Kordofan state in the Sudan, a speaker said that education, particularly of girls, was a prerequisite for development of that region. The Regional Director said that nomadic education and health services were important not only for the Sudan but for all the Sahelian countries. The evaluation showed that the education project had had a good start, although better intercountry cooperation was required.

304. Referring to the evaluation of child labour in the Syrian Arab Republic, one delegation stressed the importance of preventive measures and development of new approaches through cooperation between the Government, UNICEF and other partners. The Regional Director said that the study had identified strong links between repeated failures in the classroom in terms of drop-out rates and children starting to work at an early age, as well as a rigid examination system that might lead to child labour because it caused children to drop out of school.

305. Another delegation said that the study on Jordanian youth was an important outcome of UNICEF cooperation with the Government. The Regional Director replied that the youth programme in Jordan, which brought young people together to formulate a curriculum which would be used by young people themselves, school administrators and teachers, could be a good example for other countries.

E. Proposals for UNICEF programme cooperation

306. The Executive Board had before it a series of programme recommendations, as follows:

(a) A recommendation for funding from other resources without finding from regular resources (a "stand-alone" recommendation) for Tajikistan (E/ICEF/2003/P/L.15). After an introduction by the Regional Director, the recommendation was approved without comment;

(b) A stand-alone recommendation for the Gulf Area subregional programme (E/ICEF/2003/P/L.16), which was also approved. One delegation said that there should be closer cooperation between the subregional programme and other countries in the Persian Gulf region;

(c) A stand-alone recommendation for the country programme of Oman (E/ICEF/2003/P/L.17). After its approval, the representative of Oman said that the new programme marked the beginning of a new type of collaboration between his Government and UNICEF, because for the first time the programme would not receive regular resources but instead be funded by the Government. This was a model for other countries that would also graduate from receipt of regular resources but still value their partnership with UNICEF.

307. See annex, decision 2003/12, for the decision adopted by the Executive Board.

F. Water and sanitation in the context of the medium-term strategic plan: oral report

308. The oral report was presented by the Chief of the Water and Environmental Sanitation (WES) Section, who said that hundreds of millions of children worldwide do not have access to safe water and sanitation. In 2000, some 1.1 billion people, about one sixth of the world's population, still lacked access to safe drinking water. About 2.4 billion people, 80 per cent of them in Asia, still lacked access to improved sanitation. Africa remained the greatest challenge in accelerating water and sanitation coverage because of displaced and refugee populations, conflict and the HIV/AIDS pandemic. Currently, UNICEF was focusing on countries with the lowest water and sanitation coverage and high U5MR, aiming for disease reduction through a focus on improving hygiene behaviour, such initiatives

as the Integrated Management of Childhood Illness (IMCI) and Roll Back Malaria and links to education through improving water and sanitation facilities in schools.

309. Speakers expressed support for UNICEF work in the area of WES and its importance for achieving the Millennium Development Goals. Delegations referred to arsenic mitigation efforts in Bangladesh, the water and sanitation in schools initiative and guinea worm eradication efforts as positive examples of UNICEF work in the sector. Asked how the rights-based approach was being used in water and sanitation programmes, the secretariat said that all UNICEF WES programmes conformed to the rights-based approach as part of the standard UNICEF programming package for each country. One delegation highlighted the discussions on water and sanitation held as part of the recent G8 summit in Evian, France, and the need to support good governance, resource mobilization and empowering of local communities. The representative of Japan referred to the Third World Water Forum, held in Kyoto in March 2003, and commended UNICEF for its contribution to its success.

G. The UNICEF response to malaria: oral report

310. The oral report was presented by the Chief of the Health Section and the Senior Health Adviser for malaria. They stressed that malaria was the major cause of U5MR in Africa, caused severe complications during pregnancy and was a major cause of poverty. There was a need for sustained political and financial commitment by African Governments and donors, including the reduction of taxes and tariffs on mosquito nets. Cost-effective interventions that needed to be scaled up nationally included the use of insecticide-treated nets (ITNs); early diagnosis and treatment of malaria; prevention and treatment of malaria during pregnancy; and early detection and control of malaria epidemics. The Roll Back Malaria partnership had to be strengthened at country level, as did the involvement of the private sector in scaling up the production and distribution of ITNs. UNICEF was focusing on increasing the procurement and use of ITNs targeting children under five years and pregnant women, making anti-malaria drugs and treatment available closest to home through community IMCI, and by linking malaria control with other maternal and child health programmes.

311. Delegations expressed appreciation for the UNICEF contribution to malaria control programmes and called for increased provision of affordable ITNs and anti-malaria drugs to poor families. They stressed the importance of strengthening public-private partnerships, particularly the need to balance subsidized versus commercial strategies, to encourage more private sector participation in malaria control. Speakers also referred to the need to control malaria in situations of conflict and emergencies; and for long-term malaria control strategies, including the search for a viable malaria vaccine and other newer vector control methods. They also appealed for greater transfers of technology for the new long-lasting ITNs from industrialized countries to boost production in Africa.

H. UNICEF involvement in TRIPS

312. The Director, Supply Division, said that the presentation was made in response to a specific request from a delegation, during the first regular session in January 2003, to organize a briefing on UNICEF involvement with TRIPS, especially in the health sector. While UNICEF primarily purchased generic off-patent medicines, its involvement in purchasing patent HIV medicines and medicines for drug-resistant malaria meant that UNICEF was concerned with patent protection issues from a very pragmatic viewpoint. Part of that was to understand the WTO/TRIPS agreements and how they influenced the ability of UNICEF to provide needed patented medicines to its governmental and non-governmental partners.

313. The Deputy Director, Supply Division, reviewed the overall work of UNICEF in providing medicines as a way of strengthening health systems. Because the impact of AIDS on child mortality was so significant, ARV medicines were key both for the prevention of mother-to-child transmission of HIV and for the treatment of mothers and partners to prolong life and reduce the number of orphans. UNICEF had already lent its support in the procurement and supply of ARVs for specific projects, including an agreement with Columbia University to provide them to eight developing countries. Countries were approaching UNICEF to help them procure ARVs for activities supported by the Global Fund to Fight AIDS, Tuberculosis and Malaria.

314. There was no doubt that the prices for ARVs had been reduced and made affordable through competition, between both "originator" research and development companies and "generics" companies, as well as between "generics" companies. The critical challenge was to reach a balance between innovation, as determined by patent protection, and access to affordable medicines, in a context of adequate and increased funding for medicines and the willingness of manufacturers to assure their production. The main concern of UNICEF was to ensure that children and families had access to the medicines they required. In that context, UNICEF supported the intent of the Doha Declaration and the recent agreement allowing non-manufacturing countries to import generic medicines. UNICEF had little direct influence on the work of WTO and WIPO, and would work closely with WHO and partner agencies which had more involvement in that domain.

315. A number of delegations highlighted the importance of access to affordable medicines for achieving the Millennium Development Goals and requested UNICEF to consider using its advocacy to support developing countries' increased access to medicines. One delegation stated the positive nature of recent agreements of WTO/TRIPS that gave prominence to public health needs and greater flexibility to countries gaining access to medicines and indicated that UNICEF should not take an independent position given that other United Nations agencies had the specific mandate to establish such agreements. The Executive Director reiterated that the principal concern of UNICEF was to ensure that children and families had access to the medicines they needed, which would be the focus of continued action in the context of strengthening health systems.

I. Report on the use of funds for UNICEF support to the Special Session on Children

316. The Executive Board had before it a report on the use of funds for UNICEF support to the Special Session on Children (E/ICEF/2003/AB/L.12), which was introduced by the Deputy Executive Director, Operations. The Board took note of the report.

J. UNICEF collaboration with the private sector: oral report

317. The oral report was presented by the Principal Adviser to the Executive Director, who set this collaboration within the overall context of the United Nations' renewed commitment to work with the corporate sector, as exemplified by the Secretary-General's Global Compact. He noted the long and successful history of collaboration between UNICEF and the corporate sector both in fund-raising and programme-related work, and the important role of the National Committees in these efforts. Examples of successful collaboration included UNICEF efforts to ensure universal salt iodization by supporting salt producers in programme countries to iodize salt; and the Change for Good® programme, which raises significant funds for UNICEF by collecting unused currencies from airline passengers and also is an important advocacy tool. UNICEF was interested in working only with organizations whose behaviour showed evidence of a willingness to exercise corporate responsibility. The Executive Director had established a process for pursuing these collaborations, including a set of guidelines (which operated together with the Secretary-General's guidelines), strengthened capacities within PSD, closer collaboration with National Committees and a committee of senior UNICEF staff to review proposed collaborations.

318. Responding to questions, the secretariat said there was close informal collaboration between different parts of the United Nations on work with the corporate sector. He also confirmed the importance of support by host Governments for collaboration with the corporate sector in programme countries and of making provision for such work in the relevant programme documents.

K. PSD: financial reports and statements for the year ended 31 December 2002

319. The Director of PSD introduced the PSD financial report and statements for the year ended 31 December 2002 (E/ICEF/2003/AB/L.8).

320. A number of delegations commended UNICEF for the increased contributions from and improved profitability of its private sector operations, for improved cooperation with the National Committees for UNICEF and for its increased focus on fund-raising. Some speakers highlighted the significance of UNICEF involvement with civil society and its benefit to the image of UNICEF in their countries. One speaker stressed the substantial financial contribution made by the National Committees to UNICEF programmes and their important role in advocacy, communication and education for development. Asked by one delegation about the increased expenses related to uncollected accounts receivable, the Director said that the cause for this had been remedied and controls introduced to prevent this in future. Responding to concerns about the declining volume in card sales, he highlighted the Division's current initiative to counter the decline with the successful launch of an expanded mix of higher-priced gift products.

321. The Executive Board took note of the report.

L. Interim financial report and statements for the year ended 31 December 2002

322. The Deputy Executive Director, Operations, introduced the interim financial report and statements for the year ended 31 December 2002. The Board took note of the report.

M. Report on internal audit activities in 2002

323. The report on internal audit activities in 2002 (E/ICEF/2003/AB/L.11) was introduced by the Director, Office of Internal Audit (OIA).

324. Delegations noted the advances made in audit coverage and approaches in 2002, and in management's attention to implementing audit recommendations. Many also expressed concern over the high number of unsatisfactory ratings given in several audited areas, particularly basic programme management controls, and requested information on the actions taken to address them. The Director said that OIA and UNICEF management applied a high standard of expected performance in order for offices to earn a satisfactory rating, and an unsatisfactory rating did not imply mismanagement or a loss of resources. He reiterated that management should strengthen the regional offices' support to country offices and improve performance monitoring at the regional and global levels to reduce the number of offices found to have unsatisfactory risk management practices.

325. The Deputy Executive Director, Operations, added that commonly occurring issues were addressed by the Audit Committee and during regional management team meetings. The Global Management Team had formed a group to analyse and address the audit findings related to programme management issues. Issues related to specific offices were followed up through instructions for actions issued by her and the regional directors, and during visits to country offices by senior management.

326. Several delegations referred to the list of underlying causes that OIA had found to be associated with a high percentage of audit observations, and requested information on what actions UNICEF was taking to address them. The Director said that while a reported 26 per cent of audit observations in 2002 were due to a lack of guidance in UNICEF, that high number was based on two principal factors that might have led to some confusion in interpretation. First, almost all audits had found weaknesses in field monitoring activities, which had led to observations in programme management, cash assistance and supply assistance in most audits. The underlying cause for observations related to field monitoring was weak guidance, and collectively the number of observations in that one area had led to a sizable share of the total number of observations issued in the year. Secondly, the statistic included instances where UNICEF had issued guidance at the global level, but country offices had not adequately adopted that guidance and established operational procedures at the country office level. UNICEF generally had good guidance across the range of issues for which a country office was responsible and as noted in the report, the weakness in guidance over field visits had been addressed by management in 2003.

327. A delegation requested that UNICEF take consideration of positive audit performance in the provision of funding to country programmes and that UNICEF share audit recommendations with host Governments to support improvements in the country programmes. The Deputy Executive Director said that while it was unlikely that the formula for the allocation of regular resources could be modified to include audit performance, a positive audit report indicated that the programme had strong management practices, which supported the achievement of programmatic results. That in turn should influence an office's capacity to secure other resources funding from donors. The avenue for communication with host Governments on issues of programme management was through country offices, which were encouraged to work with their counterparts on the implementation of issues proposed by audits to strengthen performance.

328. The Executive Board took note of the report.

N. Report to the United Nations Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions

329. The Deputy Executive Director, Operations introduced the report to the United Nations Board of Auditors and the Advisory Committee (E/ICEF/2003/AB/L.10). She provided updated information on progress made on several recommendations since the report's publication, as follows:

(a) Regarding recommendation 14A, UNICEF had consulted with other United Nations agencies. The Executive Board's approval of the establishment of a funded reserve for after-service health insurance (see annex, decision 2003/11) was a positive response to the recommendation;

(b) Regarding recommendation 14F, UNICEF would take the opportunity of the triennial comprehensive policy review to compare its cash assistance policy with those of other United Nations agencies. The Secretary-General's reform agenda on simplification and harmonization presented a valuable opportunity for considering the various modalities for cash transfers to Governments. UNICEF was chairing an inter-agency working group on resource transfer modalities, and the Economic and Social Council had discussed progress on simplification and harmonization at its substantive session in July, including the issue of cash assistance. The UNDG Executive Committee agencies were making very good progress with their final recommendations, which were due at year-end and would be reported to the Council;

(c) Regarding recommendation 14H, which covered four areas of treasury management, UNICEF had engaged the secretariat of the High-Level Committee on Management to carry out a comprehensive survey with other United Nations agencies on various aspects of treasury management and results. The results served as a benchmark for addressing the Board of Auditors' recommendations.

330. One delegation asked that in future, the secretariat give more importance to this report by putting it higher on the agenda of the Executive Board and making it an item for decision by the Board. The Deputy Executive Director said that an item's place on the agenda was not an indication of its importance, but in future the secretariat would try to address the point. As for making it the

subject of a decision by the Board, that would pose a dilemma because the UNICEF financial and audit reports were reviewed by the Fifth Committee of the General Assembly. That was why the report was made to the Board of Auditors and the Advisory Committee, which made their comments directly to the Fifth Committee. The report was presented to the Executive Board for information.

331. Asked how UNICEF expected to implement the recommendation of the Board of Auditors in regard to harmonizing procedures for expenditures with those of other United Nations agencies, she said the various agencies were still working on the issue. They needed to ensure that the same procedures would be used in any single country, although it would be premature to say what those procedures would be; they would be included in the report to the Economic and Social Council in 2004.

332. Asked why she had not discussed progress on other recommendations in her presentation, she said that normally she did not provide such an update but had done so to cover elements that were of particular interest. However, that was not to say that there had not been progress on other areas as well. They would be covered in next year's report.

333. The Executive Board took note of the report.

O. Executive Board programme of work for 2004

334. The draft programme of work (E/ICEF/2003/13) was introduced by the Secretary of the Executive Board. Following discussion and comments, the Board approved the revised programme of work for 2004 (see annex, decision 2003/15 for the final text).

P. Working methods of the Executive Board

335. The Executive Board had before it a note by the secretariat (E/ICEF/2003/12), which was presented by the Secretary of the Executive Board. In the ensuing discussion, a number of delegations said that the Board could operate more effectively. They said that there should be better strategic and policy-oriented discussions, a more dynamic relationship with the secretariat on issues requiring guidance, better drafted and more analytical written reports, oral reports that were more policy-oriented and streamlined ways of doing business. They also suggested that the WFP Executive Board provide an update of its governance project. Other delegations said that the Board's working methods were improving gradually, as was the quality of interventions made by delegations. One speaker said that before there was further discussion of improvements, there should be consensus on any existing inadequacies, which could possible be resolved through existing mechanisms. (See annex, decision 2003/14, for the text of the decision adopted by the Executive Board.)

336. Several speakers also referred to the proposed terms of reference for Executive Board field trips that were included in the report, although the Board elected not to take a decision on the issue at the session.

Q. Other matters

337. The President of the UNICEF Global Staff Association stressed the importance of staff safety and security, especially in the context of the recent attack in Baghdad, and expressed support for the reform programme of the Secretary-General. He also said that the Millennium Development Goals were a catalyst for positive change and underlined the importance of the Board's oversight role in ensuring that UNICEF carried out its mission.

R. Closing of the session

338. The Executive Director reminded delegations that they had begun the week by remembering the loss of the staff members killed in the attack on United Nations headquarters in Baghdad and their efforts to build a peaceful world. She also recognized the extraordinary efforts of all staff of all United Nations agencies.

339. The President expressed the gratitude of the Executive Board to UNICEF staff for their work, adding that the Board shared the grief and pain of the families of the staff who had been killed in Baghdad.

Part four
Extraordinary budgetary session of 2003

Held at United Nations Headquarters from 1 to 2 December 2003

I. Organization of the session

A. Opening of the session

340. The President said that although this was a difficult period for all delegations, because of the ongoing work of the General Assembly, the UNICEF support budget was an important subject. He thanked the secretariat for its extensive preparations, especially the briefings organized for all of the regional groups.

341. The Executive Director said the budget was only as good as the programmes it supported, and in the context of World AIDS Day, she reported on UNICEF activities to fight the disease. UNICEF, an active member of UNAIDS, focused on prevention of mother-to-child transmission of HIV, education of young people, and support to orphans and other vulnerable children. According to a new report, 14 million children were orphaned or made vulnerable by AIDS, 11 million of them in sub-Saharan Africa. Extended families were under great strain, and it was critical to try and keep at least one parent alive as long as possible, and strengthen community support networks for these children. A few years ago, UNICEF had spent $30 million over a biennium on HIV/AIDS, but that figure now had risen to $130 million.

B. Adoption of the agenda

342. The Executive Board adopted the agenda for the session (E/ICEF/2003/14). In accordance with rule 50.2 and the annex to the rules of procedure, the Secretary of the Executive Board announced that credentials for the session had been submitted by 16 observer delegations.

II. Deliberations of the Executive Board

A. Supplementary support budget for the 2002-2003 biennium

343. The Executive Board had before it the proposed supplementary support budget for 2002-2003 (E/ICEF/2003/AB/L.13), which was introduced by the Deputy Executive Director, Operations. The proposal was approved without comment. (See annex, decision 2003/16, for the text of the Board's decision.)

B. Biennial support budget for 2004-2005

344. The Executive Board had before it the proposed biennial support budget for 2004-2005 (E/ICEF/2003/AB/L.14), which was introduced by the Deputy Executive Director, Operations, and the Comptroller. The report of the Advisory Committee on Administrative and Budgetary Questions (E/ICEF/2003/AB/L.15) was also before the Board. In addition, the secretariat made two supporting presentations, on results-based management in UNICEF and on the *DevInfo* database.

345. Overall, delegations commended the secretariat for the thorough preparation, high quality and transparent and strategic presentation of the budget document, and for the briefings and informal consultations arranged by the secretariat. While recognizing the improved overall income scenario and increases in recovery from other resources to the gross support budget, some delegations expressed concern about the income projections. They also stressed the need to continue efforts to reverse the trend of increasing other resources in favour of regular resources. Delegations requested the secretariat to keep the Executive Board informed on the realization of the income projections so that any decreases did not affect regular resources allocations to country programmes. The Deputy Executive Director said that the income projections were conservative, based on the actual growth in recent years and the latest available information, and that the Board would be updated every year through the financial plan.

346. Several delegations welcomed the ongoing work on results-based management and reporting, the harmonization and simplification exercise among funds and programmes, collaboration and support to the resident coordinator system and work with UNDG, and emphasized the need to link budgeting to results. Asked about possible savings resulting from simplification and harmonization, the Deputy Executive Director said that the savings would be realized at the recipient government level.

347. Some delegations asked about the large increase in proposed IT costs and about possible areas of collaboration with other United Nations agencies, suggesting that investments in IT should support the results-based management approach. Some delegations also asked if UNICEF had considered the possibility of cost-sharing, for example for the *DevInfo* project, which would be used by United Nations country teams. The Deputy Executive Director explained that UNICEF was the first organization within the United Nations to use an enterprise resource planning (ERP) system, in this case SAP, which went live in 1999. The SAP platform was used by several other agencies. UNICEF was also working within the United Nations system to have compatible systems for the minimum operating security standards required for all field offices.

348. Several delegations wanted to re-examine the timing of the Executive Board's review of the biennial support budget, given the conflict with the General Assembly in December. The Deputy Executive Director responded that the Board had reviewed the issue in 2000 and the current timing was decided upon to ensure that the 'plan drives the budget'. The secretariat would review the issue again and come back to the Executive Board with options at the annual session of 2004.

349. On the question of how the role of the newly established Office of Public Partnerships relates to that of the Division of Communication and of PSD, the Executive Director clarified the delineation of accountabilities among these offices. The Division of Communication was responsible for organizational communication and PSD for fund-raising from sources other than the Governments. The Office of Public Partnerships had been created following the Special Session on Children to build on and enhance relationships on behalf of children with non-governmental organizations. The Office currently worked with four major partners: major religious and faith-based organizations; parliamentarians; civil society organizations; and sports organizations. The Office of Public Partnerships was not involved in fund-raising.

350. One delegation requested more information on priorities in the CEE/CIS and the Baltic States and suggested that programming be needs-based. The speaker also suggested that National Committees could be established in some countries in the region to tap new and growing private resources. The Executive Director responded that UNICEF was monitoring the development challenges in the region with such evolving programmes as those to combat HIV/AIDS. Countries were not categorized as being strictly programme or donor countries, but in terms of realities in the region, the guidelines approved by the Executive Board and the formula for allocation of regular resources. Later in the session, the same delegation said that he was not questioning UNICEF activities in the region, but would like UNICEF to focus on the countries most in need and move away from having programmes in countries with good social indicators. For example, countries that were going to join the European Union could move to the formation of a National Committee. The Deputy Executive Director clarified that UNICEF activities in the region followed the Board's policies on allocation of resources and did focus on the countries with the greatest needs. In addition, the secretariat recently had held discussions with the National Committees on future opportunities for fund-raising. There were already National Committees in the region, as listed in the UNICEF *Annual Report*.

351. A number of delegations posed questions on staffing issues. These included the rationale for reclassifying certain posts at the D-1 and D-2 levels, the growing number of staff at higher Professional and General Service levels, the need for junior professional posts, the need to use national consultants and the use of programme funds for staffing. The Deputy Executive Director said that the secretariat has used the methodology approved by the Executive Board. Regarding senior-level posts, the International Civil Service Commission Tier III standard for the reclassification of senior positions did not just use the financial considerations, but also included other important considerations such as complexity, operating environment and consistency of change. Regarding the level of other posts (the post "pyramid"), she explained that the importance given by UNICEF to creating entry-level Professional posts had resulted in a grade-level average which had decreased from 4.37 in 1996-1997 to 4.16 in 2004-2005. UNICEF had a typology of staffing for field offices, and the use of national consultants and programme funds for staffing depended on the priorities of the country programme and were reviewed at the regional level. In total, UNICEF had 1,586 international Professional posts, 1,478 national Professional posts and 3,484 General Service posts throughout the organization. The number of General Service staff at headquarters had decreased because of efficiency gains due to investments in IT, and had increased in field offices owing to increased programme throughput.

352. In the presentation on results-based management, the Chief of Strategic Planning and Programme Guidance, said that there were three phases of results-based management: (a) strategic planning, through which objectives and strategies were formulated, targets set and indicators selected; (b) performance measurement, through which performance was monitored, reviewed and reported; and (c) performance management, through which evaluations and lessons learned were used for decision making. Among the challenges facing UNICEF in strengthening results-based management were the need for systematically high-quality objectives and reporting; the fact that the diversity of the problems facing children would always pose a challenge in terms of strategic focus; the challenges related to indicators, including the difficulty of direct measurement in such areas as social policy and

child protection; and precise attribution of results within partnerships. In response to a question on the relationship between results-based management and current country programmes, he stated that results-based management was not something new for UNICEF, but rather a better and more systematic use of tools, practices and resources. Asked about child-specific indicators, he said that they included rates of morbidity, mortality, school enrolment and coverage of basic services, and that behavioural change referred to changes in child-care practices.

353. A member of the Division of Policy and Planning explained that *DevInfo* is a database system which compiles global, regional, national and subnational data that can be easily retrieved and analysed both in terms of trends over time and data relationships. The system is based on *ChildInfo*, which was developed by UNICEF as a monitoring tool. *DevInfo* would support country-level monitoring of the Millennium Development Goals by the United Nations system and Governments. Asked to elaborate on the time and resources needed for the roll-out of *DevInfo*, the secretariat said that costs would be shared among United Nations agencies. In response to a query on the collection and veracity of the data, the speaker said that where possible, the data would be obtained from such government sources as censuses and national surveys, and augmented by such other sources as implementation reports.

354. See annex, decision 2003/17, for the text of the decision adopted by the Executive Board. Prior to the adoption of the decision, one speaker said that while his delegation accepted the decision, it was important to emphasize the importance of programme implementation. Because of the increasing demands being placed on UNICEF, more resources were needed for programmes, and the secretariat should bear this in mind in implementing the budget. Another delegation requested an overview of the number and level of staff for headquarters and field offices. This would be useful in the future to allow the Board to have a strategic discussion on how UNICEF appropriated resources within the MTSP priorities. The Deputy Executive Director said that the information was available in the budget document and any additional information could be made available.

C. Intercountry programmes

355. The Executive Board had before it a proposal for intercountry programmes (E/ICEF/2003/P/L.29), which was introduced by the Director, Programme Division. Asked about the allocation of regular resources between headquarters/regional offices and country offices under the intercountry programmes, the Director said that in the current biennium, headquarters and regional offices received 3 per cent of the regular resources budget and country offices the remaining 97 per cent. The same formula would apply to the intercountry programmes for the 2004-2005 biennium. To a question about regional offices' support to country offices, he replied that the accountabilities of the regional offices had been clearly defined, and a process was in place to strengthen their support to country offices as part of the simplification and harmonization of programming processes of the United Nations funds and programmes. Asked about the amount of regular resources allocated to South Asia, he emphasized the support given by regional offices to country programmes and the priority allocation of regular resources to country programmes. In addition, there were possibilities of raising other resources at the regional level in support of country programmes. (See annex, decision 2003/18, for the text of the decision adopted by the Board.)

D. Closing of the session

356. The Deputy Executive Director, Operations, said that the Board's approval of the biennial support budget and the intercountry programmes for 2004-2005 would allow UNICEF to start the new biennium in a position of strength and improve progress for children in the 158 countries and territories where it had programmes of cooperation.

357. The President also thanked the Board for its good work during the session. However, a number of delegations had questioned the usefulness and effectiveness of having the extraordinary budgetary session take place in December because the convergence of the session with the meetings of the Second and Third Committees had prevented some delegations from taking full part in the Board session. Another factor preventing delegates' full participation was their involvement in the informal deliberations of regional groups.

Annex

Decisions adopted by the Executive Board in 2003

Decision		*Page*
First regular session		
2003/1	Annual report to the Economic and Social Council	
2003/2	Report on the activities of the Joint Inspection Unit of relevance to UNICEF	
2003/3	UNICEF financial report and audited financial statements for the biennium ended 31 December 2001 and report of the Board of Auditors	
2003/4	Private Sector Division work plan and proposed budget for 2003	
2003/5	Discontinuation of the UNESCO/UNICEF Joint Committee on Education	
Annual session		
2003/6	Draft country programme documents	
2003/7	Increase of other resources ceiling for intercountry programmes for 2002-2003	
2003/8	Establishment of an operational reserve	
2003/9	The UNICEF recover policy	
2003/10	UNICEF experience of joint programming	
Second regular session		
2003/11	Financial plan for the period 2003-2006	
2003/12	UNICEF programme cooperation	
2003/13	Implementation of the modified system for allocation of regular resources for programmes	
2003/14	Working methods of the Executive Board	
2003/15	Programme of work for Executive Board sessions in 2004	
Extraordinary bugetary session		
2003/16	Supplementary support budget for the 2002-2003 biennium	
2003/17	Biennial support budget for 2004-2005	
2003/18	Intercountry programmes	

First regular session

2003/1. Annual report to the Economic and Social Council

The Executive Board

Takes note of the "Report of the Executive Director: Annual report to the Economic and Social Council" (E/ICEF/2003/4 (Part I)), and *requests* the secretariat to transmit it, along with a summary of the comments made during the discussion, to the Economic and Social Council for consideration at its substantive session of 2003.

First regular session
13 January 2003

2003/2. Report on the activities of the Joint Inspection Unit of relevance to UNICEF

The Executive Board

Takes note of the report by the secretariat on "Activities of the Joint Inspection Unit of relevance to UNICEF" (E/ICEF/2003/5).

First regular session
13 January 2003

2003/3. UNICEF financial report and audited financial statements for the biennium ended 31 December 2001 and report of the Board of Auditors

The Executive Board

Takes note of the "UNICEF financial report and audited financial statements for the biennium ended 31 December 2001 and report of the Board of Auditors" (A/57/5/Add.2).

First regular session
14 January 2003

2003/4. Private Sector Division work plan and proposed budget for 2003

A. Private Sector Division budgeted expenditures for the 2003 season

The Executive Board

1. *Approves* for the fiscal year 1 January to 31 December 2003 budgeted expenditures of $80.9 million as detailed below and summarized in column II of table 7 to document E/ICEF/2003/AB/L.3:

	(In millions of United States dollars)
Commissions – field offices	1.4
Cost of goods delivered	29.7
Marketing expenditures	19.7
Support services	15.9
Investment funds	14.2
Total expenditures, consolidated	**80.9**

2. *Authorizes* the Executive Director:

(a) To incur expenditures as summarized in column II of table 7 to document E/ICEF/2003/AB/L.3 and to increase expenditures up to the level indicated in column III of the same table should the apparent proceeds from card and gift sales and/or private sector fund-raising increase to the levels indicated in column III, and accordingly, to reduce expenditures below the level indicated in column II to the extent necessary, should the net proceeds decrease;

(b) To redeploy resources between the various budget lines (as detailed in paragraph 1 above) up to a maximum of 10 per cent of the amounts approved;

(c) To spend an additional amount between Executive Board sessions, when necessary, up to the amount caused by currency fluctuations, to implement the 2003 approved work plan.

B. Budgeted income for the 2003 season

The Executive Board

Notes that for the period 1 January to 31 December 2003, PSD net proceeds are budgeted at $276.8 million (regular resources) as shown in column II of table 7 to document E/ICEF/2003/AB/L.3.

C. Policy issues

The Executive Board

1. *Renews* investment funds with $14.2 million established for 2003;

2. *Authorizes* the Executive Director to incur expenditures in the 2003 fiscal period related to the cost of goods delivered (production/purchase of raw materials, cards and other products) for the 2004 fiscal year up to $30.5 million as indicated in the PSD medium-term plan (see table 6 of document E/ICEF/2003/AB/L.3).

D. Medium-term plan

The Executive Board

Approves the PSD medium-term plan as reflected in table 6 to document E/ICEF/2003/AB/L.3.

First regular session
15 January 2003

2003/5. Discontinuation of the UNESCO/UNICEF Joint Committee on Education

The Executive Board

Agrees with the recommendation of the Joint Committee on Education, as contained in the report on its eighth meeting (E/ICEF/2003/8), that the Committee be discontinued, and *requests* the UNICEF secretariat to work with the UNESCO Secretariat to propose how to strengthen coordination within existing structures.

First regular session
15 January 2003

Annual session

2003/6. Draft country programme documents

The Executive Board

Approves the aggregate indicative budgets for the following country programmes of cooperation:

Region/country	*Period*	*Regular resources*	*Other resources*	*Document E/ICEF/2003/*
Eastern and Southern Africa				
Angola	2004	5 537 000	18 400 000	P/L.1
Kenya	2004-2008	24 659 000	32 500 000	P/L.2
Madagascar	2004	4 099 000	4 850 000	P/L.3
Somalia	2004-2008	22 770 000	80 000 000	P/L.4
West and Central Africa				
Benin	2004-2008	9 426 000	16 000 000	P/L.5
Congo	2004-2008	4 879 000	7 500 000	P/L.6
Niger	2004-2007	25 024 000	26 494 000	P/L.7
Sierra Leone	2004-2007	11 794 000	16 000 000	P/L.8
Ecuador	2004-2008	3 912 000	10 000 000	P/L.9
East Asia and the Pacific				
Democratic People's Republic of Korea	2004-2006	3 310 000	9 000 000	P/L.10
Philippines	2004	2 198 000	5 000 000	P/L.11
South Asia				
Pakistan	2004-2008	61 616 000	65 000 000	P/L.12
Middle East and North Africa				
Palestinian children and women in Jordan, Lebanon, the Syrian Arab Republic and the Occupied Palestinian Territory	2004-2005	3 200 000	9 230 000	P/L.13

Annual session
3-4 June 2003

2003/7. Increase of other resources ceiling for intercountry programmes for 2002-2003

The Executive Board

Approves an increase of $100 million in the other resources ceiling for intercountry programmes, from $203 million to $303 million, for the 2002-2003 biennium, as contained in document E/ICEF/2003/P/L.14.

Annual session
4 June 2003

2003/8. Establishment of an operational reserve

The Executive Board

Recommends that UNICEF continue to manage its liquidity in accordance with the liquidity requirement approved by the Executive Board and that it not establish a funded operational reserve, as described in document E/ICEF/2003/AB/L.4.

Annual session
4 June 2003

2003/9. The UNICEF recovery policy

The Executive Board,

Having reviewed the UNICEF recovery policy, as contained in document E/ICEF/2003/AB/L.1, and the document E/ICEF/2003/AB/L.5 submitted at the present session,

1. *Stresses* that regular resources, *inter alia,* because of their untied nature, are the bedrock of the operational activities of UNICEF and, in this regard, notes with serious concern the stagnation of regular resources available to UNICEF;

2. *Requests* that all donors strive to increase contributions to regular resources, and *requests* the Executive Director to hold consultations to encourage donors to increase the proportion of contributions to regular resources;

3. *Endorses* the objectives that other resources support the medium-term strategic plan (MTSP) priorities and that regular resources should not subsidize the support costs for other resources programmes, and *encourages* UNICEF to apply procedures that reduce transaction costs for other resources programmes;

4. *Endorses* the aim of eliminating, in the medium term, the subsidy of support costs for other resources programmes by regular resources;

5. *Calls on* those donors contributing to other resources to consider directing these contributions to thematic areas[1];

6. *Calls further on* all donors to simplify their administrative and reporting requirements to significantly reduce the administrative costs of their contributions to other resources;

7. *Decides* to apply, as an interim measure, the methodology as described in paragraph 13 of document E/ICEF/2003/AB/L.1 and in its annex II. The methodology will be reviewed by the Executive Board in light of the harmonization discussion among the United Nations agencies;

8. *Authorizes* the Executive Director to apply the following rates[2] to all new agreements to be signed after Executive Board approval of the revised policy on an interim basis;

(a) 5 per cent for all resources raised from the private sector in the programme countries;

(b) For other private sector resources, 5 per cent for thematic contributions and 7 per cent for non-thematic contributions;

(c) For other contributions to thematic areas, 8 per cent, and an additional reduction of 1 per cent for 90 per cent up-front payments;

(d) For non-thematic contributions, 12 per cent and additional reductions of 1 per cent for 90 per cent up-front payment, 1 per cent for contributions over $500,000, 2 per cent for contributions over $2 million, 3 per cent for contributions over $10 million, and, as a transitional arrangement through 2004, 4 per cent for contributions over $40 million;

9. *Recognizes* that the rates approved above constitute a step towards the reduction of the subsidy of the support costs of other resources programmes by regular resources;

10. *Requests* the Executive Director to bring the issue of the recovery policy to the attention of the working group on harmonization and simplification of the United Nations Development Group (UNDG) with a view to harmonizing the methodology used by the UNDG members in devising their recovery policies;

11. *Requests* the Executive Director to report to the Executive Board on the experiences of the recovery policy, especially on actual cost recovery achieved and recovery rates applied to projects during this period, on its effects on the regular resources, as well as on the harmonization efforts undertaken, and to submit proposals for further steps towards the elimination of any remaining subsidy of support costs of other resources programmes by regular resources at the second regular session of the Executive Board in 2005 for a review of this interim policy.

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[1] The thematic areas are the five MTSP priority areas (immunization plus, girls' education, child protection, HIV/AIDS, early childhood development) and humanitarian assistance.

[2] All incentive reductions are applicable to annual contributions.

Annual session
5 June 2003

2003/10. UNICEF experience of joint programming

The Executive Board

1. *Recognizes* the commitment of UNICEF to making an effective contribution to a number of reform initiatives, including the reform programme of the Secretary-General, as endorsed by the General Assembly, and the provisions of the triennial comprehensive policy review as set out in General Assembly resolution 56/201 of 21 December 2001;

2. *Notes* the progress UNICEF is making, as set out in the Executive Director's annual report to the Economic and Social Council (E/ICEF/2003/4 (Part I)), on working with the Common Country Assessment and the United Nations Development Assistance Framework and also towards the simplification and harmonization of rules and procedures[1], with a view to enhancing programme delivery;

3. *Reaffirms*, in this context, the aim of reducing the complexities and diversity of requirements which continue to place an enormous burden on programme countries through high transaction costs, and that innovations in this area should achieve, in their implementation, the objective of reducing the administrative and financial costs to programme countries;

4. *Requests*, therefore, the Executive Director to submit to the Executive Board for consideration at its annual session in 2004 a written report containing an assessment, based on specific country examples, of the UNICEF experience of joint programming and other innovative and collaborative approaches aimed at improving programming effectiveness and reducing transaction costs for programme countries, and their associated costs and benefits.

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[1] As defined in resolution 56/201, section VI.

Annual session
5 June 2003

Second regular session

2003/11. Financial plan for the period 2003-2006

The Executive Board

(a) *Takes note* of the medium-term financial plan (E/ICEF/2003/AB/L.7) as a flexible framework for supporting UNICEF programmes;

(b) *Approves* the medium-term financial plan as a framework of projections for 2003-2006 (summarized in table 4 of document E/ICEF/2003/AB/L.7), including the preparation of up to $151 million in programme expenditures from regular resources to be submitted to the Executive Board in 2004. This amount is subject to the availability of resources and to the condition that estimates of income and expenditure made in this plan continue to be valid;

(c) *Approves* the establishment of a funded reserve for after-service health insurance with an initial contribution of $30 million in 2003 and $10 million per year for the period 2004-2006, to be adjusted on the basis of future financial projections.

Second regular session
17 September 2003

2003/12. UNICEF programme cooperation

The Executive Board

1. *Approves* the following recommendations of the Executive Director:

(a) **$13,023,000** for funding from other resources without recommendations for funding from regular resources, subject to the availability of specific purpose contributions:

Country	*Period*	*Other resources*	*Document E/ICEF/2003/*
Tajikistan	2004	1 233 000	P/L.15
Gulf Area subregional programme	2004-2006	8 790 000	P/L.16
Oman	2004-2006	3 000 000	P/L.17

(b) **$2,208,730** in additional resources to fund the approved country programmes of eight countries whose regular resources planning levels, based on the modified allocation system and estimated global levels of programmable regular resources, are higher than the balance of approved funds for those countries:

Region/Country	*Amount* *(in United States dollars)*
Central and Eastern Europe, the Commonwealth of Independent States and the Baltic States	
Armenia	48 050
Azerbaijan	18 000
Kazakhstan	12 937
Kyrgyzstan	272 000
Turkmenistan	254 000
Uzbekistan	537 000
Middle East and North Africa	
Iraq	493 717
Eastern and Southern Africa	
Zimbabwe	573 026

(c) **$789,593.99** from regular resources to cover overexpenditures from four programmes:

Programme	*Amount* *(In United States dollars)*
Central America and Panama: subregional programme	7 211.54
Sudan (Consolidated Appeal)	637 072.59
Timor-Leste (Consolidated Appeal)	136 661.29
Great Lakes Region and Central Africa (Consolidated Appeal)	8 648.57

Second regular session
17 September 2003

2003/13. Implementation of the modified system for allocation of regular resources for programmes

The Executive Board

1. *Takes note* of the "Report on implementation of the modified system for allocation of regular resources for programmes" as contained in document E/ICEF/2003/P/L.21;

2. *Welcomes* the progress made in implementing the modified system, and reiterates the need to give high priority to the needs of children in low-income countries, in particular to the special needs and circumstances of the least developed countries (LDCs) and those of sub-Saharan Africa;

3. *Reaffirms* the principles of eligibility of all recipient countries on the basis of the fundamental characteristics of the operational activities of the United Nations development system, in line with relevant resolutions of the General Assembly;

4. *Notes* that the target of 60 per cent of the allocation of regular resources to the LDCs is not yet met, and *requests* the Executive Director to intensify efforts to reach the target of 60 per cent of regular resources to be allocated to the LDCs, and to maintain at least 50 per cent for sub-Saharan Africa;

5. *Requests* the Executive Director to report back to the Board on the implementation of these efforts, including an analysis of the utilization of regular and other resources by country and by aggregate for each priority area of the medium-term strategic plan, no later than the second regular session of 2004;

6. *Decides* to continue to apply the modified system for allocation of regular resources for programmes in accordance with Executive Board decision 1997/18 (E/ICEF/1997/12/Rev.1);

7. *Requests* the Executive Director to continue to review the modified system for allocation of regular resources for programmes, taking into consideration views expressed by delegations, and considering the need to explore ways to contribute to the sustainability of the progress achieved in programme countries in all regions, especially in the context of the preparation of the next medium-term strategic plan for 2006-2009.

Second regular session
19 September 2003

2003/14. Working methods of the Executive Board

The Executive Board

1. *Notes* the UNICEF report, 'Working Methods of the Executive Board' (E/ICEF/2003/12), as a basis for continuing dialogue among Board members and with the secretariat on this subject;

2. *Stresses* the importance of generating more information and knowledge on best practices pertaining to the operation of governing boards within the United Nations system, and the continued exchange of information in that context;

3. *Requests* the Bureau to enter into dialogue with representatives of other United Nations funds, programmes and organizations to explore approaches to improving working methods and to report its findings and any recommendation back to the Executive Board at the first regular session of 2004;

4. *Invites* representatives of the Bureau of the Executive Board of the World Food Programme to attend the first regular session in 2004 of the UNICEF Executive Board, to provide a briefing on their efforts to establish a broad-ranging and participatory process for improving the working methods.

Second regular session
19 September 2003

2003/15. Programme of work for Executive Board sessions in 2004

The Executive Board

Adopts the following programme of work for 2004:

First regular session (19-23 January)	• Election of officers of the UNICEF Executive Board for 2004 • Report of the Executive Director (Part I): Annual report to the Economic and Social Council (1995/5, 1998/1, 1999/6) • Reports of the Joint Inspection Unit of relevance to UNICEF (2001/4) • Approval of revised country programme documents (CPDs) (2002/4) • Child protection: oral report on child trafficking • Working group on transition from relief to development (including child soldiers): oral report • Tenth Anniversary of the International Year of the Family: oral report • Implementation of the UNICEF monitoring and evaluation plan: oral report • Private Sector Division (PSD) work plan and proposed budget for 2004 • Working methods of the Executive Board • Pledging event • Joint meeting of the Executive Boards of UNICEF and UNDP/UNFPA, with the participation of WFP
Annual session (7-11 June) (Secretariat to investigate the possibility of changing date to 31 May – 4 June)	• Report of the Executive Director (Part II): Progress and achievements against the medium-term strategic plan (MTSP) (1999/8, 2000/6, 2001/11, 2002/22 and E/ICEF/2003/9 (Part I), para. 31) • Assessment of the UNICEF experience of joint programming and other innovative and collaborative approaches to programming (2003/10) • Draft CPDs (2002/4) • Progress report on the evaluation function in UNICEF (2002/9) (including a summary paper on evaluation) • Orphans and vulnerable children affected by HIV/AIDS: oral report • UNICEF Maurice Pate Leadership Award • Reports on field visits of Executive Board members (1992/32)
Second regular session (13-17 September)	• Financial plan for 2004-2007 (2000/3) • Early childhood development: oral report • Mid-term review of the MTSP 2002-2005 • Review of the updated UNICEF humanitarian strategy (including Core Corporate Commitments) • HIV/AIDS: follow-up to UNAIDS Programme Coordinating Board – written report • Analysis of the utilization of regular and other resources by country and by aggregate for each MTSP priority area • Decisions taken by the Economic and Social Council: oral report (E/ICEF/1995/9/Rev.1, para. 470) • Summaries of mid-term reviews and major evaluations of country programmes (1995/8 and 2001/11) • Recommendation for additional resources for approved country programmes • Recommendations for funding from other resources without recommendations for funding from regular resources • Update on developments in human resources: written report • UNICEF financial report and audited financial statements for the end of the biennium 2002-2003 and report of the Board of Auditors • PSD financial report and statements for the year ended 31 December 2003 • Report to the United Nations Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions • Report on internal audit activities in 2003 • Programme of work for Executive Board sessions in 2005

Second regular session
19 September 2003

Extraordinary budgetary session

2003/16. Supplementary support budget for the 2002-2003 biennium

The Executive Board

Approves the supplementary budget appropriation of $8 million to cover salary increases and additional requirements for security, as described in document E/ICEF/2003/AB/L.13.

Extraordinary budgetary session
1 December 2003

2003/17. Biennial support budget for 2004-2005

The Executive Board,

Having considered the biennial support budget for 2004-2005, as contained in document E/ICEF/2003/AB/L.14,

1. *Notes* the rise in gross appropriations of 20.9 per cent in view of the need for programme implementation, and *appreciates* the improved transparency displayed in the budget documents, and in this context, *requests* UNICEF to continue to strengthen cost-effective management;

2. *Stresses* the importance of full UNICEF participation in United Nations harmonization and simplification efforts with a view to achieving efficiency in its programme implementation, and *requests* the Executive Director to report separately on any resulting cost efficiencies by the second regular session in 2004;

3. *Approves* gross appropriations in the amount of $684,906,000 for purposes indicated below and *resolves* that the income estimates of $156,400,000 shall be used to offset the gross appropriations, resulting in estimated net appropriations of $528,506,000:

(In thousands of United States dollars)

Programme support:	
Country and regional offices	359 013.7
Headquarters	96 088.0
Subtotal	**455 101.7**
Management and administration of the organization	229 804.3
Total gross appropriations	684 906.0
Less: Estimated income to the budget	(156 400.0)
Estimated net appropriations	**528 506.0**

4. *Authorizes* the Executive Director to redeploy resources between appropriation lines up to a maximum of 5 per cent of the appropriation to which the resources are redeployed;

5. *Approves* an additional allocation of $14 million for security-related provisions as described in paragraph 18 of document E/ICEF/2003/AB/L.14;

6. *Requests* the Executive Director to consult with the Executive Board should the level of resources available for programming fall significantly below the level projected in this budget;

7. *Welcomes* the continued improvement in results-based management which makes it clear to what extent key results achieved contribute to the attainment of UNICEF objectives, and *requests* the Executive Director to continue to develop results-based budgeting for the biennium 2006-2007 in close collaboration with other funds and programmes;

8. *Requests* the Executive Director to explore options for the timing of the approval of the biennial support budget in the context of one of the existing regular board sessions and to report to the Board on this issue during the annual session of 2004.

Extraordinary budgetary session
2 December 2003

2003/18. Intercountry programmes

I. Regular resources programme budget estimates for the 2004-2005 biennium

The Executive Board

Decides:

(a) That a regular resources programme budget of $25,185,500 (other than the Emergency Programme Fund) is approved for 2004-2005 as per the following details:

	(In thousands of United States dollars)
Headquarters	
Technical programmes and inter-agency collaboration	6 686
Programme policy, planning and information management	2 973
Evaluation	887
Emergency preparedness	930
Global partnerships	600
Advocacy and communication	5 360
Subtotal	**17 436**
Regions	
Eastern and Southern Africa	1 500
West and Central Africa	1 500
The Americas and Caribbean	950
East Asia and the Pacific	950
South Asia	950
CEE, CIS and the Baltic States	950
Middle East and North Africa	950
Subtotal	**7 750**
Total	**25 186**

(b) That the budget for the Emergency Programme Fund for 2004-2005 is approved for $25 million;

(c) That the Executive Director is authorized to administer the funds in the most efficient manner under the provision for each of the funds. The Executive Director may, without further authorization from the Executive Board, transfer, if necessary, between the programme fields an amount not exceeding 10 per cent of the approved budget of the fund to which the transfer is made.

II. Other resources-funded programme budget estimates for the 2004-2005 biennium

The Executive Board

Decides:

(a) That an other resources-funded programme budget of $302.2 million is approved for the 2004-2005 biennium, subject to the availability of specific-purpose contributions, as follows:

	Headquarters	*Regions*	*Intercountry*	*Total*
	(In thousands of United States dollars)			
Regions				
Eastern and Southern Africa		16 400		16 400
West and Central Africa		15 700		15 700
The Americas and Caribbean		8 000		8 000
East Asia and the Pacific		6 350		6 350
South Asia		17 100		17 100
CEE, CIS and the Baltic States		8 830		8 830
Middle East and North Africa		9 546		9 546
Subtotal		**81 926**		**81 926**
Headquarters				
Technical programmes and inter-agency collaboration	35 240			35 240
Programme policy, planning and information management	15 000			15 000
Evaluation	1 200			1 200
Emergency preparedness	6 700			6 700
Global partnerships	3 000			3 000
Advocacy and communication	5 096			5 096
Human resources management	4 000			4 000
Information technology	10 000			10 000
Subtotal	**80 236**			**80 236**
Intercountry programmes				
Girls' education			10 000	
Early childhood			10 000	
Immunization "plus"			70 000	
HIV/AIDS			20 000	
Child protection			10 000	
Emergency preparedness			20 000	
Subtotal			**140 000**	**140 000**
Total	**80 236**	**81 926**	**140 000**	**302 162**

(b) That for the biennium 2004-2005, a total recommendation of $302.2 million for other resources funding is approved. If necessary, funds in excess of indicated amounts for specific programme areas and regions can be received provided that the total amount of funds received is within the approved limit.

Extraordinary budgetary session
2 December 2003